DOMINION OF CANADA

# HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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FIRST SESSION—TWENTY-SECOND PARLIAMENT

2-3 ELIZABETH II

BEING THE 96TH SESSION FOR THE PERIOD 1867-1954

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VOLUME VI, 1953-54

COMPRISING THE PERIOD FROM THE NINTH DAY OF JUNE, 1954,
TO THE TWENTY-SIXTH DAY OF JUNE, 1954, INCLUSIVE

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INDEX ISSUED IN A SEPARATE VOLUME

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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1954

# HOUSE OF COMMONS

**Wednesday, June 9, 1954**

The house met at eleven o'clock.

## NATIONAL PHYSICAL FITNESS ACT

REPEAL OF EXISTING LEGISLATION

**Hon. Paul Martin (Minister of National Health and Welfare)** moved for leave to introduce Bill No. 475, to repeal the National Physical Fitness Act.

**Mr. Macdonnell:** Explain.

**Mr. Martin:** Mr. Speaker, this bill seeks to do precisely what it says, to repeal the National Physical Fitness Act.

**Mr. Fleming:** Why?

**Mr. Drew:** Mr. Speaker, I think before this is agreed to it should simply be explained that it has been ineffective and the minister is taking the proper course.

**Mr. Martin:** Mr. Speaker, for the first time in a long time I am able to agree fully with what the Leader of the Opposition (Mr. Drew) has said.

Motion agreed to and bill read the first time.

## QUESTIONS

ARMED FORCES—MEDICAL CATEGORIES

**Mr. McCullough (Moose Mountain):**

1. What were the regulations and practices in respect of a veteran of world war II who enlisted with an A1 category and was discharged after five years service with an E category?
2. Is such a veteran automatically entitled to be boarded to ascertain pension disability, if any?
3. Is it possible for a veteran who enlisted and did not falsify his medical history to enter the services as A1 category and later to be discharged as category E and medically unfit, and yet not be eligible for pension?
4. If so, under what circumstances?

**Mr. Bennett:**

1. The conditions governing entitlement to pension for veterans of world war II are set out in the Pension Act, which act prescribes the procedure to be followed by the applicant and the commission.

2. Yes, the service documents of all veterans who served in world war II were screened to determine whether or not a pensionable disability existed at the time of discharge.

3 and 4. Yes, if the lowered category

(1) was caused by improper conduct as defined in the Pension Act; or

(2) was incurred while on leave of absence without pay; or

(3) was incurred when the member of the forces had, during leave of absence with pay, undertaken an occupation that was unconnected with military service; or

(4) was the result of the discovery on service of physical or mental inability to absorb training and when such physical or mental limitation pre-existed enlistment but was not apparent at the time of enlistment and the existence of which may well have been unknown to the serviceman himself.

GARLAND BUILDING, OTTAWA

**Mr. Hodgson:**

1. Has the Garland building at the corner of O'Connor and Queen streets, Ottawa, been leased by the federal government?
2. If so, what is the term of the lease?
3. What rental is being paid?
4. Is the building being renovated?
5. If so, what has been the cost of such renovations to date?
6. What is the estimated cost to complete such renovations?
7. Were tenders called for this work?
8. If so, what are the names of those submitting tenders and the amount of each tender?
9. Who was the successful tenderer and what was the amount of such tender?
10. What was the original cost of this building?
11. What is the assessed value and taxes per year?
12. Was this building condemned at any time?
13. What use is the government making of this building?

**Mr. Bourget:**

1. Yes.

2. Ten years from December 1, 1953.

3. $54,450 per annum for 44,000 sq. ft.

4. Yes.

5 and 6. Estimated cost $175,000.

7. Yes, by invitation bids.

8. Leopold Beaudoin Construction Company, $5,000 fixed fee; Doran Construction Company Limited, $6,000 fixed fee; A. Lanctot Construction Company, $6,124 fixed fee; A. Tessier, $22,800 fixed fee.

9. Leopold Beaudoin Construction Company—$5,000 fixed fee up to $175,000—3 per cent for any expenditure over $175,000.

10. No information available.

11. (a) $144,075.00 (assessment); (b) $5,956.64 (taxes, 1954).

*Questions*

12. We are informed by the city building inspector and city fire inspector that the building has never been condemned.

13. Office accommodation.

DOWNSVIEW AIRPORT—LIGHTING

**Mr. McBain:**

1. Were tenders called for construction of lighting facilities for Downsview airport?

2. If so, what are the names of those who submitted tenders?

3. What was the amount of each tender?

4. To whom was the contract awarded, for what amount and on what date?

**Mr. Langlois (Gaspe):**

1. Yes.

2 and 3.

| Names of tenderers | Amount of tender |
|---|---|
| Ontario Electrical Construction Company, Ltd., Toronto, Ontario | $14,281.15 |
| Armstrong Bros., Brampton, Ontario | 15,987.50 |
| Accurate Electrical, Montreal, P.Q. | 16,199.25 |
| Canadian Comstock Co., Leaside, Ontario | 17,188.10 |
| Donovan Construction Co., Toronto, Ontario | 18,900.00 |
| Bedard-Girard Ltd., Montreal, P.Q. | 20,300.00 |
| John H. Baldwin Electric, Toronto Ontario | 23,530.05 |
| W. J. Robbins, Electrical, St. Thomas, Ontario | 27,611.03 |

4. Ontario Electrical Construction Company, Ltd., Toronto, Ontario, at an amount of $14,281.15, on May 18, 1954.

INDIAN CARE, PUBLIC HOSPITALS

**Mr. Trainor:**

1. What was the total amount paid to public general hospitals for the care of Indians, during 1953?

2. What was the amount per patient day?

**Mr. Martin:**

1. Total amount paid during the fiscal year 1953-54 direct to public general hospitals (classified as such by the province or territory in which located) and as premiums to the British Columbia hospital insurance service covering almost all the native population in British Columbia—$2,302,575.

2. It is not possible to compute an over-all average patient day cost because of the factor of insurance (almost all the native population in British Columbia are covered by the British Columbia hospital insurance service —hence payments are not made direct to individual hospitals but in the form of premiums). The rates paid were the result of negotiations with the individual hospitals and with the agencies operating hospitals or insurance plan. These rates ranged from approximately $4.50 per day to $16.50 per day for bedside nursing care in multiple patient ward accommodation.

SALE OF HOUSES, ARVIDA, QUE.

**Mr. Knowles:**

1. Have there been any discussions or negotiations, or has there been any correspondence, between the Aluminum Company of Canada and the federal government, or any department, branch, agency or official thereof, concerning the selling of some of the houses owned by the said company at Arvida, Quebec, to its employees, and the possibility of federal assistance or participation in such sales in any way?

2. If so, what have been the subjects of such discussions, negotiations or correspondence?

3. What is the present status of the matter?

4. What terms are involved in any such assistance or participation?

**Mr. Pickersgill:** Mr. Speaker, the officers of my department have canvassed the likely departments about this question and no information has come to light and the answer is that there has been none which we can discover. If the hon. member can throw any light on it I would be glad if he would do so.

**Mr. Knowles:** Mr. Speaker, perhaps I can throw light on it when I meet the minister privately.

FEDERAL EXPENDITURES, SASKATCHEWAN

**Mr. Studer:**

1. What was the total expenditure in Saskatchewan for the fiscal year 1952-53, by the federal government, including the statutory subsidy and tax rental agreement payments?

2. What was the total expenditure during the fiscal year 1952-53 in Saskatchewan by each federal government department and agency?

3. What was the total amount of expenditures in Saskatchewan by all federal government departments and agencies, since April 1, 1944?

**Mr. Benidickson:**

1 and 2:

Expenditures by the federal government in the province

| | Thousands of dollars |
|---|---|
| A Direct payments to the provincial government: | |
| (a) Compensation under dominion-provincial taxation agreements | 26,121 |
| (b) Compensation under section 7, Dominion-Provincial Taxation Agreement Act, 1947 (share of net taxes collected from certain public utility companies) | 31 |
| (c) Statutory subsidies | 2,041 |
| (d) General health grants | 1,981 |
| | 30,174 |

*Questions*

B Direct payments to or on behalf of individual residents of the province:

| | |
|---|---|
| (a) Family allowances | 19,723 |
| (b) Pensions (world wars I and II) | 5,843 |
| (c) Veterans war service gratuities and re-establishment credits | 524 |
| (d) Veterans post-discharge rehabilitation benefits | 107 |
| (e) War veterans allowances | 1,276 |
| (f) Old age pensions, pensions to blind persons (and old age security payments) | 20,150 |
| | 47,623 |

C Interest paid on government of Canada bonds:

| | |
|---|---|
| Estimated amount of interest paid to holders of government of Canada bonds in the province | 13,140 |

D Estimate of major expenditures by government departments or agencies within the province:

| | |
|---|---|
| (a) Agriculture | 7,776 |
| (b) Citizenship and immigration | 1,993 |
| (c) Finance | 782 |
| (d) Fisheries | 12 |
| (e) Justice | 1,309 |
| (f) Labour | 922 |
| (g) Mines and technical surveys | 57 |
| (h) National defence | 19,763 |
| (i) National health and welfare | 1,367 |
| (j) National revenue | 1,497 |
| (k) Public works | 1,592 |
| (l) Resources and development | 2,405 |
| (m) Royal Canadian Mounted Police | 4,023 |
| (n) Trade and commerce | 568 |
| (o) Transport (including C.M.C. and N.H. board) | 1,519 |
| (p) Veterans affairs | 2,328 |
| (q) Central Mortgage and Housing Corporation | 304 |
| | 48,217 |

E Proportional share of federal government's contribution to the unemployment insurance fund

| | |
|---|---|
| Portion allocated to province on basis of proportion of number of insured workers in province to number of insured workers in Canada | 764 |
| Total Expenditures | 139,918 |

83276—360½

| 3. Fiscal year | Expenditures in thousands of dollars |
|---|---|
| 1944-45 | 78,921 |
| 1945-46 | 111,350 |
| 1946-47 | 118,915 |
| 1947-48 | 115,732 |
| 1948-49 | 102,196 |
| 1949-50 | 103,882 |
| 1950-51 | 133,191 |
| 1951-52 | 110,293 |
| 1952-53 | 139,918 |
| 1953-54 | 141,883 |
| *Total Expenditures | 1,156,281 |

*Expenditure figures do not include:

(a) The more general type of budgetary expenditures which are made for the benefit of the country as a whole and which are of direct benefit to all the provinces. In this category are the expenses of the central legislative body at Ottawa, the financial and administrative departments at Ottawa, and the research activities of the national research council.

(b) Payments to the majority of suppliers of goods and services as the payments are in many cases made to the head office of the company and therefore do not lend themselves to an accurate segregation by provinces.

CIVIL DEFENCE WORKERS

**Mr. Huffman:**

1. How many people are enrolled for civil defence work in Canada?
2. How many of these are full-time civil defence workers and how many are part-time voluntary workers?

**Mr. Martin:**

1. Over 163,000, according to recent strength reports from the provincial civil defence co-ordinators.

2. Over 82,000 on a "duty" basis; 81,000 on a voluntary basis.

DISASTER PLANNING, HOSPITALS

**Mr. Goode:**

1. Has any planning been done to prepare hospitals in Canada to operate under disaster conditions?
2. If so, what form has this planning taken?

**Mr. Martin:**

1 and 2. Yes. A series of hospital disaster institutes is being conducted. One has been held in British Columbia to serve British Columbia and Alberta hospitals. One has been held in Halifax for the Atlantic provinces. In the near future, institutes will be held at the head of the great lakes for this

region, Manitoba and Saskatchewan. At least two will be held in the province of Ontario; and two will be held in the province of Quebec, one of which will be in French.

In each instance the staff of a large hospital and, as contrast, of a small hospital, with the assistance of officers of the civil defence health planning group of the Department of National Health and Welfare, prepare a complete plan for the handling of mass casualties. Then the hospital administrators and chiefs of medical services and of nursing services from each of about 15 other hospitals in each area attend a two-day institute conducted by the health planning group of the department. During the institute they receive instruction in the preparation of hospital plans, examine the plans of the host hospital, and discuss these plans on the actual hospital premises. On the completion of the institute personnel from the attending hospitals undertake to carry out disaster plans in their own institutions. In this way about 100 hospitals across Canada, including D.V.A. hospitals, will be able to develop their own plans and to assist neighbouring hospitals in the preparation of further plans.

Another phase of planning which has recently been developed by the civil defence health planning group of the Department of National Health and Welfare is a regulation of casualty flow. By this is meant the general management of casualties at all levels of service, particularly in respect of the flow of casualties through rescue, first aid and medical treatment centres, and includes principles of evacuation and the operational control of health services.

CIVIL DEFENCE TRAINING, MEDICAL PERSONNEL

**Mr. MacDougall:**

What special civil defence training, if any, is being given to Canadian physicians and nurses?

**Mr. Martin:**

Arrangements in effect between the Department of National Health and Welfare and the Department of National Defence whereby candidates attend the A.B.C. warfare defence course held three times a year at Camp Borden have enabled the civil defence health services of the Department of National Health and Welfare to collaborate with provincial civil defence health services authorities in the indoctrination so far of 274 Canadian physicians.

In addition officers of the federal civil defence health services have conducted courses across Canada for nursing instructors on the subject of how to teach the nursing aspects of A.B.C. warfare. At the conclusion of these courses the 1,300 nursing instructors so trained have imparted their knowledge, by means of a series of 12-hour courses, to over 28,000 active, retired, and married nurses across the country.

Civil defence nursing is now part of the basic curricula for student nurses in five provinces.

Home nursing training conducted by the Red Cross Society and the St. John Ambulance Association has now been extended to rural areas and includes at least four hours of intensive civil defence instruction. Arrangements have been made also under which selected students in home nursing are given 44 hours of hospital experience.

Following individual training, team training in casualty services and in particular in the operation of first aid stations is carried out in several areas in Canada. This team training is done through the conduct of first aid station demonstrations in which, following examples staged in the first instance under the supervision of federal civil defence health services authorities, local authorities organize full complements of physicians, nurses, nurses' aides, auxiliary workers and stretcher bearers and actually implement a program of casualty care in the first aid station as it would be carried out under disaster conditions. Usually, as many as 250 people are required for each such demonstration. Actual medical supplies are used and authentic atmosphere is created through the use of the accurate medical and cosmetical simulation of from 50 to 100 casualties. This procedure, in addition to being a training factor, serves to give considerable stimulation to local civil defence organization.

SALE OF WHEAT TO RUSSIA

**Mr. Thatcher:**

Has the Canadian wheat board, or any other government agency, taken any specific steps since January 1 to sell wheat to Russia?

**Mr. Dickey:** Approximately three months ago, two representatives of the U.S.S.R. called on officials of the Department of Trade and Commerce and inquired into the availability and prices of Canadian wheat for shipment to the U.S.S.R. The necessary information was provided to them but, to date, there have been no further developments.

P.F.R.A. OFFICIALS' EXPENSES

**Mr. Diefenbaker:**

1. Did any of the officials or employees connected with the Prairie Farm Rehabilitation Act administration, whose names appear in sessional paper No. 10B tabled on June 1, 1954, receive any expenses additional to those set out in the return which were charged directly to the Department of Agriculture?

2. If so, who are such persons and what was the respective amount of such expenses?

**Mr. McCubbin:**

1. No.
2. See answer to No. 1.

CANADIAN NATIONAL RAILWAYS PURCHASES

**Mr. Knowles:**

What was the dollar value of purchases made by the Canadian National Railways, during each of the last three years (either fiscal or calendar), from (a) Montreal Bronze Limited; (b) Monsarrat Machinery and Foundries Limited; (c) Smiths Falls Malleable Casting Company; (d) Dominion Brake Shoe Company Limited; (e) Canadian Car and Foundry Company, Limited; (f) Dominion Wheel and Foundries Limited; (g) Montreal Locomotive Works Limited?

**Mr. Langlois (Gaspe):**

The Canadian National Railways advise as follows:

It is not the policy of the company to divulge the nature and details of contracts or orders between the railway and other parties for the supply of materials required for company use.

## QUESTION PASSED AS ORDER FOR RETURN

THE RIOT ACT, ETC.

**Mr. Knowles:**

1. How many (a) charges; (b) convictions; (c) acquittals; (d) charges not proceeded with, have there been in Canada between January 1, 1919 and January 1, 1954, under sections 89, 90, 92, 94, 95, 96 and 97 of the Criminal Code, chapter 36 of the Revised Statutes of Canada, 1927, or their predecessors if the section numbers in question have been altered during that period?
2. What was the "style of cause" in each conviction noted above?
3. How many times has the Riot Act been read in Canada between January 1, 1919 and January 1, 1954?
4. What official (sheriff, deputy sheriff, mayor or other head officer, or justice) was responsible for each such reading, and what official read it in each such case?
5. How many times during the above period has the Riot Act been read in connection with a labour dispute, and when and where did such readings take place?
6. Has the Riot Act been read in Canada at any time since January 1, 1954? If so, when and where?

## MOTIONS FOR PAPERS

P.F.R.A. OFFICIALS' EXPENSE ACCOUNTS

**Mr. Diefenbaker:**

For a copy of the expense accounts amounting to the sums of $2,794.23, $3,416,13, $2,811.88, $2,534.63, $3,356.84, $2,791.51, $2,609.78, $2,318.64, $2,644.07, $2,447.85, $2,416.88, which according to return No. 10B, tabled on June 1, 1954, represented the respective expense accounts for the year 1953 of the following officers or employees of the Prairie Farm Rehabilitation Act administration, namely: (a) Mr. H. C. Biddell; (b) Mr. E. H. Butterfield; (c) Mr. J. H. Graham; (d) Mr. W. H. Gillis; (e) Mr. M. Hunka; (f) Mr. B. B. Kenny; (g) Mr. M. R. Skelton; (h) Dr. L. B. Thomson; (i) Mr. D. L. Barlow; (j) Mr. Adam Lyon; (k) Mr. J. L. Smith.



P.F.A.A. OFFICIALS' EXPENSE ACCOUNTS

**Mr. Diefenbaker:**

For a copy of the expense accounts amounting to the sums of $3,424.96, $3,298.38, $3,075.10, and $3,023.86, which according to return of No. 9F, tabled on June 1, 1954, represented the respective expense accounts for the year 1953 of the following officers or employees of the Prairie Farm Assistance Act administration, namely: (a) Mr. F. Carpenter; (b) Mr. J. H. Mitchell; (c) Mr. E. Zahorski; (d) Mr. A. A. Brown.

## NATIONAL HARBOURS BOARD ACT

AMENDMENTS RESPECTING POLICING, HARBOUR TOLLS, ETC.

**Hon. Stuart S. Garson (for the Minister of Transport)** moved the third reading of Bill No. 421, to amend the National Harbours Board Act.

**Mr. Speaker:** Is the motion agreed to?

**Some hon. Members:** On division.

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

## POST OFFICE ACT

ENLARGEMENT OF PROVISION RESPECTING DISTRIBUTION OF NEWSPAPERS AND PERIODICALS

**Hon. J. W. Pickersgill (for the Postmaster General)** moved the third reading of Bill No. 473, to amend the Post Office Act.

**Mr. Speaker:** Is the motion agreed to?

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, before this motion for third reading is put, there are a few words I wish to say. Yesterday we made clear by our vote on second reading that we are opposed to this bill. It is therefore not necessary for me to say much on this motion for third reading. However, on checking my files in connection with this matter, in which I have certain correspondence with persons who were interested in seeing this bill go through, I find that, when I spoke on second reading yesterday, I used one figure which was not quite correct. As a matter of fact, from my point of view, the situation is even a little bit worse than that which would be indicated by the figures I used. When I spoke on second reading yesterday I indicated that the saving in trucking costs to *Maclean's* magazine resulting from the passage of this bill would be of the order of $20,000 or $25,000 a year. I was then speaking from memory. On checking the correspondence that I have in this matter I now find that the saving to *Maclean's* magazine from the passing of this bill will be something over $36,000 a year. That is *Maclean's* stake in this measure. That is the amount it is now costing that

publication to truck from Toronto to Montreal those magazines going to provinces outside of Ontario. In addition to that $36,000 or more which the passing of this bill will save *Maclean's* magazine, there is another $9,000 a year which *Maclean's* magazine will have to continue paying for trucking from Toronto to Montreal its issues which are addressed to subscribers in the province of Ontario. As was made clear yesterday, although this bill will make it possible for the issues going to other provinces to be mailed from Toronto, and that is the main purpose of this bill, that change will not be possible in respect of issues mailed to subscribers in Ontario. In other words, for this magazine there is a total sum of $45,000 a year at present involved in trucking charges, $36,000 of which will be saved by the passing of this bill, if it is passed.

**Mr. Diefenbaker:** What is the source of those statistics?

**Mr. Knowles:** The hon. member for Prince Albert (Mr. Diefenbaker) asks where I obtained these statistics. I have them under my hand in a letter from a gentleman who represents both the Periodical Press Association and *Maclean's* magazine. The same gentleman and I had an interview with regard to the matter and subsequently we had an exchange of letters. The figures I am giving are figures I have taken from the letter which is now under my hand.

I just want to say this, Mr. Speaker. *Maclean's* magazine can readily and easily save this entire sum of $45,000 a year in a very simple way. All they have to do is to discontinue the acceptance of liquor advertising, whereupon they would be able to print, publish and mail all of their copies from the city of Toronto. What *Maclean's* magazine wants to be assisted in doing is to get around the provision in the Ontario liquor control act against the publishing of liquor advertising and, at the same time, to have the benefit of the cheap postage rates which obtain for magazines and periodicals, as provided in the Post Office Act.

Yesterday when we were debating this matter the Leader of the Opposition (Mr. Drew) "caught me out" at one stage. He said at one point that there are no cheap rates provided by the Post Office Department. In a quick reply I said I agreed with the Leader of the Opposition and that I had used the term relatively. A moment later I realized that I should not have agreed with the Leader of the Opposition. While it is true that there are no cheap rates on first-class mail, especially since the recent increase in letter rates, nevertheless there are cheap rates provided by the Post Office Department for magazines and periodicals. My statement in that connection stands.

However, Mr. Speaker, as I say, *Maclean's* magazine wants to have the privilege of circumventing an Ontario law and at the same time to get the advantage of these cheap rates. As I see it, that is the main purpose of this legislation; its purpose is to facilitate a firm in its desire to get around a provincial law. It is for that reason that we voted against this measure yesterday. So far as the members of this group are concerned, that is the issue. As I see it, *Maclean's* is like the king in "Hamlet": It wants to be pardoned and yet retain the offence. It wants to be excused from complying with the law of the province in which it operates and yet at the same time it wants to get the advantage of these cheap rates provided for periodicals and magazines without paying the penalty which it now has to pay in trucking its issues from Toronto to Montreal. That is what this bill really is, namely an attempt to assist a firm, by federal law, to get around the provisions of a law in the province in which this firm operates. The members of this group think that legislation of this kind should not be brought before this house.

May I also indicate to the Postmaster General (Mr. Cote) that if this law goes through, I will expect an accounting next year with respect to this matter, bearing in mind the wording in the bill which says that no provision granted under this amending bill shall adversely affect the postal revenues. I have in mind in particular the point I made yesterday, namely that all issues of *Maclean's* magazine destined for the provinces of Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland are now being trucked to Montreal and carried by the Post Office Department from Montreal to their destinations in those five eastern provinces. If, under this new arrangement, the Post Office Department has to carry those magazines the additional distance from Toronto to Montreal, it seems to me that is something that is going to adversely affect the postal revenues. I would hope that that section of the bill will be observed. If there is that additional cost to the Post Office Department for carrying those issues that extra distance from Toronto to Montreal, I hope that the additional cost will be charged back to any publication getting such an advantage.

There is just one other word I wish to add, Mr. Speaker. This bill came to us by what has sometimes been referred to as the back-door method; it came in from the other place. That fact means that if it is now given third reading, all that is required is royal assent.

It is sometimes argued in this house and in other quarters that the reason for our having two houses in this parliament is so that the other place can take a sober, second look at legislation passed by the elected representatives. I suggest, since there will be no such opportunity for a sober second look at this legislation by Their Honours in the other place, who did not discuss at all what this bill really does, that the argument as to the utility of the Senate as a reviewing body should no longer be advanced. We are opposed to this bill.

**Mr. Pickersgill:** Mr. Speaker, I do not think that the utterly misleading statements made by the hon. member for Winnipeg North Centre (Mr. Knowles) can be allowed to pass unnoticed. The purpose of the bill, and the sole reason the government brought it in, was that American publications are allowed four places to post in Canada and Canadian publications are unfairly discriminated against by being limited to only one.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I simply wish to place myself on record. I hope there will be nothing alarming to other hon. members about it, but it is extraordinary the number of occasions on which the Secretary of State (Mr. Pickersgill) and I are finding ourselves in agreement.

**Mr. Pickersgill:** My face is red.

**Mr. Drew:** I do not wish to let go unchallenged a statement which I believe completely misinterprets what is before us. I will not say "misrepresents" but I will say "misinterprets". I am sure that the hon. member for Winnipeg North Centre (Mr. Knowles) in putting forward the opinions that he has put forward is sincerely misled as to what the effect of the bill is because I have complete confidence not only in his industry but in his mental integrity as well as his personal integrity. I am certain that he misconceives the effect of this measure.

The bill before us is one which enables the Post Office Department to provide for Canadian publications the same facilities now available to publications from the United States. This is in no way confined to liquor advertising or any other type of advertising. I hold no particular view in regard to the content of one publication or another. My remarks apply with equal force to every Canadian publication. We hear a great deal about the advancement of Canadian culture. I believe that one of the great media in the advancement of culture is the periodical publication. I think that the more we can do to facilitate the distribution of Canadian periodical publications in competition with publications from the United States the more we will do to develop a distinctly Canadian outlook and a distinctly Canadian culture.

To me, with the utmost friendship for the United States, it has been a matter of very great concern for a number of years that by the very weight of numbers of magazines published the publishers in the United States are able to come so close to saturating this market. I am not at all sure that we should not go a great deal further in encouraging Canadian publications in every part of Canada to carry to the people of Canada distinctly Canadian ideas. As an incident of whatever facilities there may be, let us recognize with complete frankness that, where the law permits liquor advertising as well as any other advertising, to the extent to which the number of Canadian magazines distributed is expanded to that extent will the advertising be expanded. That, however, is only an ordinary incident of the expanding publication of Canadian magazines, which all of us should welcome.

If there is to be further limitation with regard to this particular type of advertising, that is another subject. I am prepared to discuss it on its own merits at any time. That is not the issue before us. The only thing accomplished by this measure is to provide further facilities for distribution and that is contained in subparagraph (ii) of paragraph (d) of subsection 1 which permits the publisher to post in "some other postal area approved by the Postmaster General upon his being satisfied that the posting of the newspaper or periodical within such other postal area will promote greater convenience in the distribution thereof and that the application of this section to the newspaper or periodical when so posted will not adversely affect the postal revenues."

That, Mr. Speaker, is an administrative provision. On such occasions as I disagree with the course the government is following I shall most certainly express that disagreement. I have on many occasions and will continue to do so with the utmost sincerity and possibly with considerable vigour. On this particular occasion I believe we should look at the measure as it stands, realize that it is an administrative procedure and that the time for us to decide whether there has been any evasion or otherwise of this provision will be when we have seen it in operation, which operation will be under the Post Office

Department. We can then find out whether there has been any permission granted which should not have been granted.

In so far as circumventing any provincial law restricting liquor advertising is concerned, not one word in the amendment in any way provides a means to circumvent those laws. If any province wants to make the law stronger that is for them to do, and this measure cannot change that. By whatever device these publications are now distributed in areas where there is a law against the publication of liquor advertising, that situation will remain exactly as it is. The bill before us provides greater facilities for the magazines of Canada, and I for one want to do everything I can to assist them in competing with magazines from outside of this country.

**Mr. Angus MacInnis (Vancouver-Kingsway):** Mr. Speaker, I do not wish to delay the house and I shall speak only for a moment or two. I rise now because I was present when the gentleman from *Maclean's* magazine interviewed the hon. member for Winnipeg North Centre (Mr. Knowles). He met both of us, and there was no doubt in my mind, and I do not think there was any doubt in his mind, as to the purpose of his visit to us and what was wanted from the Post Office Department. He told us about the difficulties the magazine was in because it could not accept liquor advertising under the provisions of the Ontario act. He said it was necessary for the magazine, in order to compete, if you like, with American magazines, to be able to accept liquor advertising. It was solely on that basis that he appealed to the hon. member for Winnipeg North Centre and myself.

I am quite satisfied it was solely on that basis that he appealed to the post office authorities to help them to circumvent the provincial legislation. That is what has been done. I do not know why the question of Canadian culture has been brought into the picture. I am all for Canadian culture, but I hope we shall find better ways to promote Canadian culture than by using the proceeds of liquor advertising. Surely there is some better way than that in a country such as Canada.

**Mr. John M. James (Durham):** Mr. Speaker, I should like to support what the Leader of the Opposition (Mr. Drew) has said. While I hesitate to inject my own particular business into this matter, I think it is only fair that hon. members who have objected so strongly to this legislation should know that there are nearly a thousand weekly newspapers in Canada many of which will be interested in this legislation. Let me explain the problem that arises. My own publication is published in Bowmanville, which is on the lake front. It is published on Thursday mornings, and we have a very large circulation in the north end of Durham county. These people cannot get their papers by mail the same day if we ship them by train. They have to go to Toronto and around by the back way. They get them the next day. If we are enabled through this legislation to send our papers to the north by bus, by car, by truck or any other way, and put them through the post office in the village of Blackstock, our subscribers in that area will be able to get their papers on the same day as the people in Bowmanville and other areas get their papers. I know that this measure was welcomed by us, and I am sure by many other weeklies and indeed provincial dailies and metropolitan dailies, with open arms.



**Mr. A. M. Nicholson (Mackenzie):** Yesterday when this matter was before the house, Mr. Speaker, I was busy in another committee. The case made by the hon. member for Winnipeg North Centre (Mr. Knowles) does not need more support but I would like to say a few words. In answer to the Secretary of State (Mr. Pickersgill), I would say that if Canadian magazines are at an unfair advantage now all that would be necessary would be for the Post Office Department to put United States magazines in the same position as Canadian magazines, namely required to be mailed at one point in Canada.

**Mr. Pickersgill:** May I ask the hon. member a question?

**Mr. Nicholson:** Certainly.

**Mr. Pickersgill:** Does he realize the United States enjoys this privilege because of an international agreement? Is he advocating that we break our international agreement?

**Mr. Nicholson:** As I understand it, the international agreement permits the magazines published in the United States to be sent anywhere in Canada, but they are mailed at Canadian centres by agreement with the Canadian postal department. We have no international agreement, as I understand it, that gives United States publications the right to be mailed at a number of different centres in Canada.

There is one other point I should mention. The people of this country have demonstrated that they are behind the Canadian magazines by agreeing to subsidize these periodicals. I have not the figures before me, but if my memory serves me the Postmaster General told us that we are subsidizing Canadian

periodicals to the extent of $15 million a year because second-class mail is being handled at a loss. I feel that is a very generous contribution.

My views on liquor are well known. I do not propose to inflict my opinions on the house but I believe this parliament should have some respect for provincial laws. We have heard a great deal about dominion-provincial rights. So long as Ontario has a law that says no publication in that province shall accept or print liquor advertisements, I feel this parliament should respect it. I have been a subscriber to *Maclean's* for a long time. I believe it is a very good periodical, but I do not welcome having the liquor advertisements come into my house as a subsidized project. I object to this parliament passing legislation that will now make it legal for *Maclean's* magazine to accept liquor advertisements, to print the magazine in Toronto and mail it in Toronto, in spite of the fact the Ontario law says that is illegal. The parliament of this country is, by law, making it possible for Canadian publications to disregard the law of the province in which they are published, that is Ontario, and I think for the benefit of future relations between the provinces and this parliament we should not vote for the third reading of this bill.

**Mr. Speaker:** Shall this motion be agreed to, on division?

**Mr. Knowles:** On division.

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

## PENSION ACT

AMENDMENTS TO PROVIDE FOR ADOPTED CHILDREN, CHANGES IN ADMINISTRATION, ETC.

The house resumed, from Tuesday, June 8, consideration in committee of Bill No. 339, to amend the Pension Act—Mr. Lapointe—Mr. Robinson (Simcoe East) in the chair.

**The Chairman:** When the committee rose last evening we were considering clause 2. Shall the clause carry?

On clause 2—*Salaries.*

**Mr. Brooks:** It is not my intention to prolong this debate. We had a very intensive discussion of this section last night. If anyone had any doubts as to the unnecessary inclusion of this section in the act previous to that discussion, I am sure those doubts should have been dispelled. This debate has clearly indicated that this section is entirely unnecessary. No logical argument has been advanced as to why this provision for the salaries of the commissioners should be included.





It has been pointed out clearly also that this section is of no benefit to the veterans. If the salaries of the commissioners should be increased, there is a provision in the act now for the increasing of those salaries. Our procedure in this connection is one of long standing. I feel it was clearly indicated there would be no hardships inflicted on the commissioners if this section were not passed. It is clearly indicated, too, that this section takes away the rights of parliament. I am not going to debate that any further, Mr. Chairman. It is not necessary.

It was indicated that the commission being a quasi-judicial body should be free from all political influence or even the appearance of political influence, just as the judges of this country are. I am not going to press these points any further, Mr. Chairman, but I again appeal to the minister to have this section deleted from the act. I am sure it will give general satisfaction to all the veterans across this country, and to all the friends of the veterans. I know that the great majority of this country are in that category. If the minister does not see his way clear to deleting the section, I think we are justified in appealing to all members of this committee to vote the section down.

**Mr. Hahn:** I do not wish to reiterate all the claims and charges that were made yesterday. As I said yesterday, however, I feel that we should not let the control of the spending of money leave this particular parliament or any parliament in the future. We have had too long a struggle in the past to try to obtain it. I therefore move, seconded by the hon. member for Fraser Valley:

That clause 2, section (1), of the bill be amended by striking out the words "the governor in council" in line 16 and substituting in place thereof the word "parliament" and

That clause 2, section (2), be amended by striking out the words "the governor in council" where they occur in line 19, and substituting therefor the word "parliament".

Subamendment negatived: Yeas, 53; nays, 86.

**The Chairman:** I declare the subamendment lost. Shall clause 2 as previously amended carry?

**Mr. Fleming:** On division.

Clause agreed to on division.

Clauses 3 to 7 inclusive agreed to.

On clause 8.

**Mr. Bennett:** Mr. Chairman, I offer the following amendment, which the Minister of Finance will move:

That subsection 3 of section 31 of the said act be repealed and the following substituted therefor:

"(3) Notwithstanding any limitations contained in this section, the commission may, in its discretion,

make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records, or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue."

**Mr. Abbott:** I so move.

**The Chairman:** Hon. members have heard the amendment. Is it the pleasure of the committee to adopt the amendment?

**Mr. Green:** Is the effect of this amendment to extend the coverage to all veterans, rather than have it restricted to veterans of world war II, as at present?

**Mr. Bennett:** Yes; it restores the act as it is at the present time. In other words, it deletes the present subsection 8 of the bill and makes section 31 (3) applicable to all veterans—those of world war I, world war II and the Korean force.

Amendment agreed to.

Clause as amended agreed to.

Clause 9 agreed to.

On clause 10—*Pension at discretion of commission in certain cases.*

**Mr. Bennett:** I believe the Minister of Finance is prepared to move the following amendment:

That clause 10 be amended by substituting the word "May" for the word "January" in the second line of subsection (5) of section 34 of the Pension Act as proposed to be enacted by the said clause 10.

**Mr. Abbott:** I so move.

**The Chairman:** Are hon. members prepared to accept the amendment that has been read, moved by the Minister of Finance?

Amendment agreed to.

Clause as amended agreed to.

On clause 11.

**Mr. Bennett:** I understand the Minister of Finance is prepared to move the following amendment:

That clause 11 be amended by substituting the word "May" for the word "January" in the second, fourteenth and sixteenth lines of paragraph (a) of subsection (3) of section 36 of the Pension Act as proposed to be enacted by the said clause 11.

**Mr. Abbott:** I so move.

**The Chairman:** Hon. members have heard the amendment moved by the Minister of Finance.

Amendment agreed to.

Clause as amended agreed to.

On clause 12.

**Mr. Bennett:** With respect to clause 12 the Minister of Finance will move:

That clause 12 be amended by substituting the word "May" for the word "January" in the second, fourteenth and sixteenth lines of paragraph (a) of subsection (1) of section 37 of the Pension Act as proposed to be enacted by the said clause 12.

**Mr. Abbott:** I so move.

**Mr. Knowles:** Will the Minister of Finance explain the amendment.

**Mr. Abbott:** It is a change in date—just making it a little later.

Amendment agreed to.

Clause as amended agreed to.

On clause 13—*Additional award.*

**Mr. Bennett:** I understand that the Minister of Citizenship and Immigration—

**Some hon. Members:** Hear, hear.

**Mr. Bennett:**—will move the following amendment:

That the following be substituted as clause 13 of the bill:

"13. Subsection (3) of section 42 of the said act is repealed and the following substituted therefor:

(3) Notwithstanding limitations contained in this section, the commission may, in its discretion, make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue; but no such payment may be made in respect of any member of the forces who has died for any period prior to the date of death."

**Mr. Harris:** I so move.

**The Chairman:** Hon. members have heard the amendment.

**Mr. Green:** Will the parliamentary assistant explain the effect of this amendment.

**Mr. Bennett:** Section 42 of the act applies to pension cases where pensions are paid on account of death, while section 31 applies to disability pensions. This amendment restores the act to where it was before Bill 339 was introduced, and also makes applicable all the benefits of that section to the Korean, world war I and world war II veterans.

**Mr. Brooks:** And it is in agreement with what was decided in committee?

**Mr. Bennett:** Yes, that is what the committee recommended.

**Mr. Fleming:** Is it not possible to improve the draftsmanship? In the last clause the amendment reads "but no such payment may be made in respect of any member of the forces who has died"—and I am drawing attention to the last words "for any period prior to the date of death". I am trying to follow it only after a quick reading of it. Is not the meaning that no payment is to be made for any period prior to the date of death in respect of any member of the forces who has died?

**Mr. Bennett:** The amendment uses the same wording as is in the present act, where it states in section 42 (2):

but no payments may be made under this section in respect of any member of the forces who has died, for any period prior to the date of death.

**Mr. Fleming:** This is the situation we run into where legislation is thrown at us without the opportunity of previous examination, and there is haste. I put it to hon. members that whether it has been in the statute or not, it is not the language of good draftsmanship. What is proposed now is that "no such payment may be made in respect of any member of the forces who has died for any period prior to the date of death". There is no punctuation after the word "died" and you have the expression "who has died for any period prior to the date of death". Surely, Mr. Chairman, what is intended by the mover in introducing this amendment is rather that "no such payment may be made for any period prior to the date of death in respect of any member of the forces who has died". That is what is intended, is it not? Surely we do not put in the statute an expression like this "who has died for any period prior to the date of death".

**Mr. Bennett:** The hon. member for Eglinton would suggest a comma being inserted after the words "who has died"?

**Mr. Fleming:** I do not think the insertion of a comma will remove what is undesirable in the composition here. Surely, what is needed is simply to move these closing words, promote them to an earlier point in the clause, and make it read: "No such payment may be made for any period prior to the date of death in respect of any member of the forces who has died".

**Mr. Tucker:** This has been in the statute many years, and the committee on veterans affairs very carefully considered this matter. Their attitude is that where a section is meeting with the approval of the veterans all over Canada it should not be changed because it might make some change that was not necessary. Where a section of the act is satisfactory to all the veterans no change has been suggested, except such change as was unanimously recommended by the committee. Having that in mind, I think it is not altogether in order for the hon. member for Eglinton to say that this is thrown at us suddenly. This was considered by the veterans affairs committee and recommended in the report to this house. That report was in *Votes and Proceedings*, and so far as I know the committee on veterans affairs were unanimously satisfied with this. The veterans of Canada are satisfied with it. I would point out also that the interpretation of this act, in law and everything else, is entirely in the hands of the Canadian pension commission. They know what it means, and they have been interpreting it now for a long time. I suggest it would be unwise to change it.

**Mr. Green:** Would there be any objection to switching these words around to make the clause absolutely clear? If we took the words "for any period prior to the date of death" and inserted them after the word "made" the clause then would be perfectly obvious and clear, and that would meet the objection raised by the hon. member for Eglinton. The latter part of the section would then read:

. . . it is apparent that an injustice might otherwise ensue; but no such payment may be made for any period prior to the date of death in respect of any member of the forces who has died.

That certainly makes the clause much clearer than it is at the present time, and I do not see that any harm will be done by making that switch in the latter part of the clause.

**Mr. Bennett:** Mr. Chairman, I have every regard for the abilities with respect to draftsmanship of the hon. member for Eglinton, and in the committee we did listen with great respect to the recommendations made by the hon. member for Vancouver-Quadra during the sittings of the veterans committee, but I do not feel that any useful purpose would be served by the amendment suggested today. The meaning is obvious. I do not think any other meaning could be taken from it. As the chairman of the veterans affairs committee has said, the pension commission has been interpreting this section for a great number of years for the benefit of veterans across this country and I do not think we should change it now.

**Mr. Fleming:** I do not propose to debate the subject longer. I wish to say if this is a sample of the English language we are using in legislation in this parliament, it is high time we stopped and considered what we are inserting in the statutes of Canada. It is not a question of changing the meaning of words that I suggest by way of alternative. I wish to make it perfectly clear to the hon. member for Rosthern that what I suggest is better calculated to carry out the purpose of the amendment than the language proposed in the amendment itself. Let us understand, Mr. Chairman, that what the government is insisting upon is that we legislate in terms like these:

in respect of any member of the forces who has died for any period prior to the date of death.

**Mr. Abbott:** What is wrong with that?

**Mr. Fleming:** There is no punctuation there. You are talking about a man "who has died for any period prior to the date of death". I suggest, Mr. Chairman, that if anybody in this house were to sit down and draft this in this form he would not be very happy about it. I suggest also, Mr. Chairman, that what we really mean is in the form in which I have made the suggestion as to the rewording of this clause. As it stands now, without any punctuation, without any qualification of this language, it is just very poor composition and very poor English.

Amendment agreed to.

Clause as amended agreed to.

Clauses 14 to 17 inclusive agreed to.

On clause 18.

**Mr. Bennett:** I understand that the Minister of Finance is prepared to move an amendment to clause 18.

**Mr. Abbott:** I move:

That clause 18 be amended by substituting the word "May" for the word "January" in the fourth line of paragraph (a) and in the fourth line of paragraph (b) of subsection (1) of section 74 of the Pension Act as proposed to be enacted by the said clause 18.

Amendment agreed to.

Clause as amended agreed to.

Clause 19 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported, read the third time and passed.

## NAVIGABLE WATERS PROTECTION ACT

RECOVERY OF COST OF MARKING OR REMOVING WRECK—SEAMEN'S SECURITY REGULATIONS

**Hon. Stuart S. Garson (for the Minister of Transport)** moved the second reading of Bill No. 471, to amend the Navigable Waters Protection Act.

**Mr. Drew:** Is the minister going to make any statement in connection with this?

**Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport):** As hon. members know, this bill comes to us from the other place, where it was passed without amendment. The Navigable Waters Protection Act, like ancient Gaul, is divided into three parts. The administration of part II of the act which deals with the removal of obstructions to navigation is placed under the Minister of Transport.

At present the act provides for the removal or destruction of any wreck, vessel or other thing that constitutes or is likely to cause an obstruction to the navigation of any navigable water. By section 14 of the act, if navigation is obstructed by a wreck, the minister may cause the wreck to be removed or destroyed. By section 15 he may convey the wreck or its cargo to a convenient place and there sell it at public auction or otherwise as he deems most advisable, applying the proceeds of the sale against the removal expenses and paying any surplus to the owner. By section 16 the minister is authorized to recover the cost of placing signals and removing the wreck from the owner, master or person in charge of the vessel, or the person responsible for causing the obstruction.

As hon. members will recall, by certain decisions of the courts, the right of the crown to recover the cost of removing obstructions to navigation has been restricted to cases where the wreck has been conveyed to a place and there sold. It has been held that the sale of the property removed as an obstruction to navigation is a condition precedent to the recovery of the expenses of removal, unless there is nothing which can be sold. This restrictive interpretation is unduly onerous on the department which, in these cases, endeavours to find the most economical way of removing the obstacle.

It frequently happens that a wreck can more easily and with greater economy be demolished in place or removed and sunk at some suitable location without going to the heavy expense of having the wreck raised and towed to a port or place where it can be offered for sale. In many cases the salvage would not cover the expenditure.

The amendment to section 16 of the act as proposed in this bill provides that the minister may recover the cost of marking, removing or destroying any wreck, vessel or other thing causing an obstruction to navigation, from the owner, master or person in charge of the vessel, or from the person responsible for the obstruction, without the necessity of having the wreck sold. In any case, where a sale of the salvage is made, the owner or person entitled to the property would be credited with the surplus of the proceeds resulting from the sale after deducting the expenses of the department in connection with the removal of the wreck.

Now, Mr. Speaker, I wish to make a brief statement in connection with the new part IV of the act, as proposed in the bill at present before us, and I would like to draw to the attention of hon. members the fact that this new part deals with the emergency regulations for the security of the great lakes and upper St. Lawrence navigation system. Since these come within the

scope of the administration of the Department of Labour, the Minister of Labour (Mr. Gregg) is in attendance to supply any information which may be required by hon. members.

The purpose of the new part IV of the Navigable Waters Protection Act is to give authority to the governor in council to enact regulations applicable to seamen on Canadian ships on the great lakes and upper St. Lawrence for the safety and security of Canada, of a nature similar to the great lakes seamen's security regulations, order in council P.C. 2306 of May 2, 1952. These regulations were made under the powers conferred by the Emergency Powers Act, which lapsed on May 31, 1954.

The great lakes seamen's security regulations were first enacted by order in council P.C. 1439 of March 22, 1951, and were designed for the purpose of ensuring that the safety or security of Canada was not endangered by the presence of seamen on board a Canadian ship in the great lakes and upper St. Lawrence river who are found to be undesirable security risks.

The regulations serve to protect the welfare and security of Canada, and were adopted in the light of the existing international situation. However, hon. members should be informed that they were worked out following consultation with the United States authorities and they complement and parallel the United States security screening provisions applicable to seamen employed on United States vessels operating in these waters.

As administered by the Department of Labour through its own officers, and those of the national employment service, it is necessary under the regulations for seamen seeking employment on Canadian ships operating in these waters to be in possession of a seaman's card.

Provisions are contained in the regulations for the refusal or revocation of a seaman's card by the Minister of Labour, if a screening process brings to light any evidence that is derogatory from a security standpoint. Where a seaman's card has been refused or revoked, the seaman may request a review by an advisory committee which now consists of a retired judge of the exchequer court and two representatives of organized labour.

The Minister of Labour is authorized by order to exempt from the operation of the regulations any person or class of persons or any ship or class of ships. Under this authority the minister has by order exempted persons employed on boats engaged in fishing, pulpwood and logging operations, where they do not, as a general rule, pass through any canal or lock; crews of police patrol boats and firefighting boats; and casual labourers employed on salvage or dredging operations.

Penalties are provided for the furnishing of false information as well as for failure to comply with any provision of the regulations. These penalties under the former regulations were of the same extent as are authorized in this new legislation.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, as we come close to the end of the session it seems that we are confronted with a number of measures which raise as important issues as could conceivably come before this house at any time.

What has just been placed before us for consideration at this moment raises a fundamental issue which in other days might well have aroused the most vigorous expression of public feeling from one end of this country to the other, as it has in other countries where measures similar to this have been put forward.

In so far as the first part of the bill is concerned, under clause 1, I do not think there is much necessity to extend my remarks. The provisions are fairly clear-cut, though there may be questions about detail. The part to which my remarks particularly refer is the last part of the bill to which a brief reference has been made by the parliamentary assistant.

Part IV consists of section 33 which defines a Canadian ship; defines the term "great lakes" as applied to this act; and defines the word "seaman" as applied to this act. But section 34 under part IV is the more important section. Before discussing that, I should mention that section 35 refers to duration and provides that the act may be continued in force for a period of three years from the date on which it comes into force.

**Mr. Garson:** Just that part of the act.

**Mr. Drew:** Yes. The provision is as follows:

> This part shall continue in force for a period of three years from the day on which it came into force, and no longer.

As has been stated by the parliamentary assistant to the Minister of Transport, section 34 has the effect of continuing, in statutory form, an order in council made originally under the Emergency Powers Act as P.C. 2306 of May 2, 1952. Mr. Speaker, on various occasions objection has been taken on this side of the house to the wide and all-embracing powers conferred by that order in council and by similar orders in council which place the employment of the individual, his right to work and, in fact, his legal status as a Canadian citizen, in the hands of the

governor in council who is given wide-open authority to make regulations which will affect the daily life of the individual who works on the ships in our great lakes. If this power was objectionable in the form of an order in council under a statute, it is many times as objectionable in the form of a statute which would specifically confer these wide powers by the authority of parliament.

For years we argued against the continuance of the Emergency Powers Act. Finally, under the pressure of our continued insistence, that act was allowed to drop. We welcome, even at this late date, the abandonment of a measure that was, in our opinion, undemocratic at any time and was certainly utterly undemocratic at a time when the reasons which had been used to support its original enactment had substantially disappeared. We are now asked to confer upon the governor in council—which means the government—the power to make such regulations as are considered necessary or desirable in the interests of the safety or security of Canada respecting the employment of seamen on board Canadian ships in the great lakes. Subject to certain limitations the governor in council—or the government in fact—may then impose penalties not exceeding a fine of $500 or imprisonment for a term of three months or both fine and imprisonment.

Mr. Speaker, we have had a number of discussions with regard to the unsatisfactory situation which arises in connection with steps taken in relation to what is described as security, where the basis upon which those security provisions which will be in force is not fully stated to parliament and is not declared in clear statutory form. The parliamentary assistant to the minister just made a statement which I would impress upon all hon. members in dealing with this subject. He indicated that this legislation would permit appropriate steps to be taken to prevent the presence on Canadian ships in the great lakes of those who have been found to be undesirable security risks. May I emphasize and re-emphasize those words: To prevent the presence on Canadian ships in the great lakes of those who have been found to be undesirable security risks. Mr. Speaker, by what test have they been found to be undesirable security risks? By whom have they been found to be undesirable security risks? Is it because they are communists? Is it because they are associated with communists? Or is it for some other reason which has not yet been mentioned?

Most certainly this parliament should not by statutory authority confer power of that kind upon the government now or at any other time where we are not actually confronted with the immediate and dreadful necessities of war which limit the time within which parliament can deal with problems of this kind. The one excuse that can ever be offered in wartime, or in a state of apprehended war, or in the period immediately following a war, for limiting the rights of the individual, under our traditions and laws, is that the impact of war or the threat of war limits the opportunity to offer to the individual those ordinary rights which we should so jealously preserve. Then there may also be questions of secrecy involved, but they certainly do not apply at a time when we are living as close to normal as most of us will live for the rest of our lives. Unless we are prepared to concede that we are never going to return to real democracy in Canada, now is the time to get back to the principles of democracy because we are as close to normal as we are likely to be within our lifetime.

This section makes it possible for the government to deal with the rights of the individual according to its own concept of what is good for the safety of Canada. Throughout the history of our democratic system, Mr. Speaker, it has been the purpose of the parliaments which have followed our traditions not to leave the safety of the individual to the whim of any government, no matter how highly we may regard their personal desires to be fair, honest and just. We recognize the fact that human beings, under stress, are likely to do things that do not conform to the strict tenets of our democratic standards of justice and freedom. We have therefore insisted upon the supremacy of parliament to pass laws and upon the rule of law which says that no man shall be imprisoned or limited in his rights except by a law which defines his position in society and the offence for which he is to be haled before the courts.

This section leaves the matter wide open. No matter how much any one of us may dislike communism or no matter how much we may hate it, we should not go to this length. No matter how much I may hate communism, as I do, I am not prepared to entrust this or any other government with the decision as to what constitutes communism when this government has said that it cannot define communism. It says that it cannot define communism or communist activities for the purpose of the Criminal Code. It says that any attempt to do so might be entering the field of political thought and political freedom. May I say this, Mr. Speaker. If the government cannot define communism for that purpose, it should not be entrusted with the power to say what communism is when

it is acting behind closed doors and when the man who may be affected has no opportunity to defend himself before the courts. Yet that is precisely what we are asked to do. We are asked to give the government undefined powers which are not subject to supervision by the courts and which are not subject to the regular processes of appeal which assure that even our impartial judges may be corrected where they have erred, as they so often do in good faith, as the judgments on appeal demonstrate when we look at them from time to time.

Mr. Speaker, I do not want to labour the arguments I have made on this whole problem of delegated legislation. We have argued this question over and over again in relation to other measures. Nevertheless, those arguments become increasingly sound as we see, throughout the world today, the uncertainty in the minds of other people as to what our system of democracy really is. When we try to place before people living under authoritarian governments the virtues of democracy they say to us: Well, do you not give people the power to limit freedom, to deny people work by dictate, as we do? If one is honest the answer is: Yes, in certain cases we do. If we want to be able to convince others of the purity of our democratic process, let us avoid as we would avoid the plague the adoption in the name of convenience of those methods which, under the name of democracy, are nothing but authoritarian dictates no matter what we call them.

Here is a case before us where, without in any way challenging the good faith of the government or the intentions with which it puts this bill before us, the opportunity is afforded to remind them that when we seek to impress upon our own people and others the virtue and value of democracy and freedom we should make sure that the laws we pass conform to the strict principles of that system which we hail as having such great virtue. It is not, as a matter of fact, something new, something that has not been discussed. It is more than four hundred years since people thought they had dealt with legislation of this kind.

There was, as many people will recall so well, a principle of delegated authority known as the Henry VIII clause under which Henry VIII, by an act of parliament, was given certain powers of proclamation extending his authority beyond the ordinary supervision of parliament. That in itself was regarded with some concern in those days when we had not advanced nearly as far as we have in recent years toward the modern concept of the responsibility of parliament. That Henry VIII clause, however, was regarded even then as something that departed from the full authority and responsibility of parliament. In recent years there has been a return on far too wide a scale to what we know as the Henry VIII clause.

I submit, Mr. Speaker, that this is something that should not be before us now because whatever may be thought necessary in the form of ordinary administrative legislation we certainly should not limit the rights of the individual in this way. The arguments that were put forward by the Prime Minister (Mr. St. Laurent) in support of the method of screening civil servants, to which we so strongly object, did at least relate to the employment of civil servants who are under the authority of the government. Unsound though we consider the argument presented on that occasion, that argument cannot be put forward in support of the present situation because these men are not employees of the government of Canada.

The parliamentary assistant to the minister has said that this provision was worked out following consultation with the United States authorities and that it parallels the United States security provisions. Without any reflection upon the United States or the United States government, and retaining the great admiration I have for the government and the people of that country for many of the excellent things they have done, the way that the government of the United States acts in relation to security is not something that I want to see repeated here in Canada in any form. That is not a guide for us today. The methods by which they are dealing with security, by television, by radio and through the press, are something that it would be wise for us to regard as an example of that which we should not do rather than as an example to follow.

However, there is one reason why perhaps security measures on their side might be satisfactory and yet not be satisfactory for us. It must be remembered that under the rules of the congress of the United States there are wide-open committee inquiries which make it possible for the representatives of the people to find out what has been done on any occasion with respect to any individual in a case of this kind. We may or may not like that method. At least it brings the matter out into the open. This loose method, which we do not regard as satisfactory in relation to employees of the government, is much more unsatisfactory in relation to other employees.

One of the provisions in this measure is that the governor in council, which is the government, may make such regulations as are considered necessary or desirable in the

interests of the safety or security of Canada. Then we are told that one of the ways in which this is to be enforced is by the revocation of the certificate that the seaman has. This brings me to a further reason why I have some concern about these special provisions relating to seamen on the great lakes. We have heard already in the house some reference to a man named Hal C. Banks. This subject is one which will be discussed at greater length on another occasion, but when the government seeks methods of this kind to permit it to deal with safety and security measures with regard to seamen it perhaps is appropriate that we recognize the almost limitless power of this man, Hal C. Banks, with relation to seamen working on the great lakes because of his authority over the unions operating on the lakes.

I have great concern about the way in which the government deals with this problem when I find that they have shown such an extraordinary lack of interest with regard to the background of Mr. Hal C. Banks. The government approved, and in approving accepted its own responsibility, Mr. Banks as our representative at a certain labour conference at Geneva. Mr. Banks has also been permitted to stay in Canada not in his original capacity as a special organizer brought here for a particular purpose but with the idea of his becoming a resident of the country. We know that the government was informed about Mr. Banks' background before he came here. Mr. Banks, because of the position he occupies, receives very large sums of money from the seamen of Canada. I think the government is well aware of how large those sums are, running into hundreds of thousands of dollars.

Mr. Banks also has very wide powers respecting the right of seamen to work on the great lakes through his position in these unions. Yet the government was aware and is aware that Mr. Banks had a record in the United States that would not ordinarily commend him to a position of great responsibility with regard to matters of this kind. The government is well aware that convictions for very serious offences were registered against this man in the United States. The government is well aware that he showed his appreciation of the hospitality extended to him in Canada by getting convicted here for smuggling a large quantity of cigarettes very shortly after his arrival.

**Mr. Harris:** I had expected this debate might arise on my estimates, Mr. Speaker, and I would not want to engage in it here at the moment. What my hon. friend has said is not quite correct. If we leave it at that, we will not get into another debate.

[Mr. Drew.]

**Mr. Drew:** In what way is it not correct?

**Mr. Harris:** He did not smuggle the cigarettes.

**Mr. Drew:** Does the minister suggest he was not convicted in connection with smuggling cigarettes?

**Mr. Harris:** He was convicted of having cigarettes that had been smuggled, which is a slightly different matter.

**Mr. Drew:** He was convicted in connection with the smuggling of some 30,000 cigarettes.

**Mr. Harris:** No, the conviction was with respect to having cigarettes which did not have the excise tax stamp.

**Mr. Drew:** He was a receiver of smuggled cigarettes?

**Mr. Speaker:** Order. May I remind hon. members that they are now considering the second reading of a bill. Great latitude has been afforded to hon. members to debate the second reading of this bill, but I do feel we should not anticipate the committee stage.

**Mr. Drew:** I was referring, Mr. Speaker, to the statement in connection with the certificates seamen must have, and pointing out that along with the certificates which the government could grant there are also those certificates which are given under the authority and influence of a man named Hal C. Banks. I should like to refer the minister to a summary, which I know to be in his possession, of the charges and convictions concerning this man, and which refers to smuggling cigarettes in Montreal for which this man was fined in 1952. If there is some refinement in regard to the details, that is something I should be happy to hear about in more detail. However, that is the entry on the form which I know was placed before the minister in connection with this matter.

I come back to this, that we are told one of the things the government would be directed to do under these orders is to deal with the right of a seaman to work by revocation of a certificate or otherwise. Perhaps I shall not go farther as to the government's interest in this until we do discuss the matter in detail on the estimates of the Department of Citizenship and Immigration. There is also the question of the right to work over which this man to whom I have referred, and about whose activities the government is so well informed, has some control. I put that forward for no other purpose than to refer to the introduction of the subject by the parliamentary assistant.

I point out that we should not be passing any loose regulations of this kind submitting the seamen on our ships to any possible

restriction of their right to work, unless we know exactly what the grounds are upon which they will be denied the right to work. I should like to be sure that in this country anyone who is actively working for that international form of treachery known as communism would be dealt with properly under our laws. I believe that should not be done unless there is a law defining what the offence is. I believe it could be defined in the Criminal Code, and I believe that is the place for it to be defined. I then believe we might well be asked to consider a section of this kind that would say that a man convicted of any offence under the Criminal Code, which has to do with loyalty to Canada or loyalty to the state, shall not be permitted to work on these ships. This would be following the proper practices under our traditional procedure. To say, however, that the government shall have a wide-open power according to its whim at any time to say who can work and who cannot work, what shall constitute an offence and what shall not, to define a crime and impose a penalty without parliament's knowledge, is in my belief a step retrograde by 400 years. This carries us back to what has so long been known to lawyers as the Henry VIII clause. I would point out that even the Henry VIII clause was not as wide open as that. I believe this is a good time, when we are talking about the struggle between freedom and democracy on the one hand and totalitarian authority on the other, to make sure we do get back to the supremacy of parliament and the rule of law. I, therefore, shall oppose the section.

**Hon. Milton F. Gregg (Minister of Labour):** I wonder whether the next speaker would mind if I made a few remarks at this juncture. It is not my desire to enter into the debate, and my only reason for doing so is to clear up perhaps one or two points that were left by the Leader of the Opposition (Mr. Drew) and also add to what was said by the parliamentary assistant to the Minister of Transport. I believe the Leader of the Opposition inferred just now that under the regulations, and consequently under this bill, it was proposed that the Minister of Labour should be given authority to define "communism" as such. I can assure him that was not the object of the regulations, and certainly it is not in the bill which refers to regulations considered "necessary or desirable in the interests of safety or security of Canada." There is no reference whatever to communism and there is certainly no reference to the part played by the leaders of labour organizations.

The purpose of part IV of the bill now before the house is to provide legislative authority to continue the powers granted to me, as Minister of Labour, by the great lakes seamen's security regulations. As the parliamentary assistant has said, these were originally established by order in council P.C. 1439 of March 22, 1951, under the authority of the Emergency Powers Act. They were later amended and finally consolidated by order in council P.C. 2306 of May 2, 1952.

The Emergency Powers Act lapsed on May 31 this year, but because the government did not ask parliament to extend the life of that legislation it does not necessarily follow that all the authority it provided can prudently be permitted to vanish with it. The government has carefully examined all the orders made under this act and has reluctantly concluded that, in a few cases, present circumstances require that other enabling legislation must be sought. The great lakes seamen's security regulations is such a case. I can assure the Leader of the Opposition and the house that it certainly would be the desire of the Minister of Labour and the government, if it were at all possible, to follow some other course than taking this step now proposed, if there were a practical course.

These regulations require all seamen plying the great lakes system in Canadian vessels to obtain an identity card, known as a seaman's card, issued by the Department of Labour, without which they may not sail. The Minister of Labour is empowered to refuse such a seaman's card to any applicant whose presence on board a Canadian vessel in the great lakes might prejudice the security of Canada. There is no reference there to the question of communism.

Hon. members will no doubt recall the circumstances under which these regulations were first established. In the summer of 1950 the United Nations took action to resist the aggression of North Korea against the republic of Korea. At that time, there was naturally very close consultation between the governments of Canada and of the United States on all matters pertaining to the police action of the United Nations in the Korean conflict. And, of course, that consultation and co-operation has existed and continued all through the piece. The question of national security in both countries was reviewed with particular care and it was agreed that special measures should be taken to afford greater protection against possible sabotage in that very important link in our transcontinental transportation facilities, namely the great lakes-St. Lawrence system. Consequently, co-ordinated steps were taken in both countries before the opening of the following navigation season. That was

the season of 1951. This was done by presidential directive in the United States and by order of the governor in council in Canada.

Although more than 30,000 applications have been received and processed since that time, I am very happy to say that it has not been my unpleasant duty except on very rare occasions to refuse cards to these applicants. In these infrequent cases, the applicant's loyalty had been in such serious doubt, and hence the risk to a vital communications system was sufficiently grave, that I had no alternative, in conscience, but to refuse identity cards to this handful of people. Only a tiny fraction of the seamen involved have had to be prevented from sailing, but of course only a tiny fraction would have been required to do damage. Whether or not such persons would in fact run the risk of committing acts of sabotage we cannot say with certainty; but we do know that such acts have been committed elsewhere with serious results.

While I had intended to give the information at the committee stage, perhaps at this stage the house would like to have a summary of the figures under the regulations.

As of April 26, 1954, a total of 30,540 applications had been received and processed under the regulations. Some of the applications were imperfect, and the persons who made the applications could not be traced when the national employment service attempted to follow them up. Of the remainder, 29,971 were sent to the Royal Canadian Mounted Police for checking. Of these, a total of 29,571 had been screened, while 400 cases were still under investigation.

Of the 29,571 applicants screened, a total of 29,422 were cleared and 149 applications were questioned.

Of the 149 cases which were questioned for the reason that information had been received having a possible bearing on security, 122 were cleared as the result of a study of the circumstances by the minister's panel of advisers, while 20 were refused regular seamen's cards and seven cases were in abeyance, pending a decision as to whether or not cards should be issued when the individuals can be traced.

As of April 26, 1954, seven of the persons denied cards had made requests for a review of their cases by the minister's advisory committee. In the case of one of these, further investigation resulted in the person being cleared without a review by the minister's advisory committee. In three cases the committee confirmed the minister's decision to refuse a seaman's card. Two requests for review lapsed, one for the reason that the subject was deported and no further action was required under the great lakes security regulations, and the other for the reason that the person concerned did not present himself for a hearing. One request was still pending at that date.

During recent weeks, the government has discussed at some length with United States authorities the possibility of allowing these regulations to lapse with the Emergency Powers Act. In the light of the present international situation, however, we have come to the conclusion that it would be imprudent not to continue these regulations. I regret that it has not been possible to introduce this measure before now. However, the vast majority of the seamen now sailing the great lakes have already been screened and, if parliament sees fit to approve the measure now submitted for its consideration, no great harm can come from this short hiatus between the date of the expiration of the Emergency Powers Act and the present time. I should add that it is not this government's intention that these security control measures should continue indefinitely, and that is why enabling legislation is now being sought for a period of three years only. If, at the end of three years, present international tensions have not slackened, it may be necessary for the government to ask parliament to renew this section of the bill for a further period. If, on the other hand, there should be sufficient improvement in the international situation before then, the government will be only too glad to take the first opportunity to cancel the regulations even before the enabling legislation has ceased to have effect.

**Mr. Drew:** Mr. Speaker, without attempting to enter the debate again, in view of the explanation given by the minister and conceding immediately that there must be some regulatory authority in regard to possible sabotage, can the minister explain why it is desirable to have such wide-open and undefined powers as these, instead of having some over-all section of the Criminal Code or, if necessary, a separate act which would apply to all vital means of transportation, and such vital operations as hydroelectric power plants —which, perhaps, are even more critical than ships, in the general picture of security.

I would ask the minister if consideration has been given to the enactment of a provision that would apply to all these, rather than attempt to put it in, piecemeal, in a single act, with such indefinite authority as is contained in this section?

**Mr. Speaker:** I suggest that other hon. members who wish to participate in the debate

should do so, so that we can reach the committee stage and have answered the various questions which apparently hon. members are anxious to ask.

**Mr. Angus MacInnis (Vancouver-Kingsway):** Mr. Speaker, I wish to say a few words in connection with this bill. Earlier this morning the Leader of the Opposition (Mr. Drew) mentioned that, because of some phenomenon of which he was not aware at the moment, he had found himself in accord with the Secretary of State (Mr. Pickersgill) on a number of occasions. At this time I find myself in the same position in respect of the remarks made by the Leader of the Opposition.

**Mr. Drew:** Do not become alarmed by it.

**Mr. Knowles:** But it is not a threesome.

**Mr. MacInnis:** I am not shutting out the Secretary of State. Indeed, I would be glad to include him.

According to the explanatory note, there are two purposes in the bill. The first makes provision whereby the minister may recover the cost of marking, removing or destroying a wreck. To that I have no objection.

The second provision in the bill is one whereby the great lakes seamen's security regulations, made under the Emergency Powers Act by order in council P.C. 2306 of May 2, 1952, may be continued in force for a period of three years.

The Emergency Powers Act had a life of one year and, if not renewed, expired at the end of that time. This year it was allowed to expire. We find here the peculiar situation in which the government now wishes to enact by order in council the power it enjoyed under the Emergency Powers Act, and wishes to have that power, not for one year, but for a period of three years.

When we turn to the section to which reference was made by the Leader of the Opposition and the Minister of Labour (Mr. Gregg) we find this:

> The governor in council may make such regulations as he considers necessary or desirable in the interests of the safety or security of Canada respecting the employment of seamen on board Canadian ships in the great lakes.

We have spent several sessions, or parts of several sessions, on the Criminal Code, in which all items that could be connected with sabotage, or anything done that was contrary to the security and interests of Canada were provided for by law. We have the law in the Criminal Code to provide for such things. Why is it necessary now that the government may prescribe the penalties to be imposed on summary conviction for violation of any regulation made under this clause? No one knows what the regulations may be, but we are supposed to approve the penalties laid down in the act. It is said that:

> . . . such penalties shall not exceed a fine of five hundred dollars or imprisonment for a term of three months or both fine and imprisonment.

To me it is a most amazing thing, particularly when we have spent years, let us say, on perfecting a Criminal Code, that we should be asked by the government now to give them the authority to impose penalties for crimes which they have not defined. I just cannot conceive of that as being good law for the Dominion of Canada. It might be for some other countries, but it is not a good precedent for this country to follow.

There may be some difficulties here, but surely we can get around them without resorting to this kind of legislation or the kind of governmental action that is outlined in this bill. If we adopt it here, are we not setting the precedent for adopting it in other circumstances? The Minister of Justice (Mr. Garson) shakes his head, but my understanding is that as a matter of fact the situation is becoming such now that the moment the government finds itself, or thinks it will find itself, faced with any opposition in the house in regard to any measure, the next step is to circumvent that by bringing the thing about by order in council. We had an indication of that yesterday, and it is becoming the normal thing.

I suggest that this is a very dangerous precedent to follow. I cannot understand the minister, who I know has a high regard for the rights of citizens, the laws of this country and the rule of law, supporting this legislation. This is not the rule of law at all. How can he propose a measure of this kind? During the luncheon recess he should have another look at it to see if there is not some other way to meet any situation that we may be confronted with on the great lakes.

**Mr. E. D. Fulton (Kamloops):** I should like to suggest to the ministers concerned other considerations in addition to those put forward by the Leader of the Opposition (Mr. Drew) and the hon. member for Vancouver-Kingsway (Mr. MacInnis) which they might take into consideration during the luncheon recess, and as a result of which I express the sincere hope that it would be decided as being in accord with the traditions of this country if this particular proposal were abandoned.

The Leader of the Opposition has referred to our intense dislike of and our opposition to any suggestion that the government should be given the right in advance to define crimes,

which definition would not have the approval of parliament, because parliament would know nothing about it, and to impose penalties on Canadian citizens for the commission of those crimes which in themselves were not known as such to the Canadian citizens as crimes. In addition, sir, the Leader of the Opposition has said that in our view it is time, if Canadian seamen or any other group of Canadian citizens are to be proceeded against because they are considered to be undesirable security risks, that what we mean by an offence against security in that general sense should be defined in the general law, and that no one group of citizens should be singled out for treatment different from any other.

In answering that proposition the Minister of Labour (Mr. Gregg) stated that these regulations which it is desired to continue now under the authority of this bill, if it becomes law, have no reference to communist activities. Well, sir, that of course is a statement which I respectfully suggest—

**Mr. Gregg:** I said no relation to communism as such.

**Mr. Fulton:** Very well. I respectfully suggest that on reflection the minister will realize that is not an accurate summary of the situation. The inaccuracy of that position can be gathered by a reference to the words which the Minister of Labour himself used. He referred to the necessity of those regulations because of the protection which they give against sabotage. He also referred to the application of the regulations whereby seamen's cards had been withheld—and I am quoting his words here as I took them down—because the applicants' loyalty had been in such serious doubt that it was considered necessary to withhold them. He said that certain of the applications had been sent to the Royal Canadian Mounted Police for checking and screening. Well, there can be no question in the mind of any reasonable man that what was suspected in this case was that the applicant had communist sympathies. That is what this business of screening means.

**Mr. Garson:** Are communists the only traitors? Is every traitor a communist?

**Mr. Fulton:** By no means; but the Minister of Labour has said, and the Minister of Justice himself knows of course, that these regulations were brought in at the time of communist aggression against Korea. It was suspected that those who might commit acts of sabotage, following that outbreak of hostilities in Korea, would do so because of their sympathy with what was going on in Korea, and that they would be communists or communist sympathizers. I do not think the point really merits further discussion because it is the merest verbiage to try to suggest to us that those regulations do not have as their object the refusal of cards to seamen on the ground that they are suspected of communist sympathies.

Since it is one o'clock, I might continue the debate after luncheon.

At one o'clock the house took recess.

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The house resumed at 2.30 p.m.

**Mr. Fulton:** Mr. Speaker, when the house rose for lunch at one o'clock I was just detailing some of the objections we felt to the method being followed of providing for the security of Canada, and for security screening authority which is to be given under this bill to the governor in council to make regulations providing for the screening of seamen, and providing penalties which in effect give them power to try a crime and impose a penalty for that crime.

We take the position in connection with this matter of security that the offence envisaged in what constitutes a breach of security or loyalty to Canada should be defined under statute, and that all persons should then be in the same position so that a man cannot be proceeded against except for a breach of a provision to which parliament has agreed, and not of one laid down by governor in council.

As the result of departure from the principle embodied in that type of legislation, and as a result of the action which the government has taken here, you can see, Mr. Speaker, that we are getting ourselves into an absurd situation.

Not only is it undesirable from the point of view of the principle involved; it is absurd in its application in this instance. What has happened here is that we have brought in an amendment to the Navigable Waters Protection Act and that act, up to the present time and by its very nature, is concerned with the matter of the provision of aids to navigation, and the physical surroundings of our waterways. Then suddenly, as an addition and as a sort of bunion on the body of the act, we have something which deals with an entirely different subject, the matter of the security of Canada from the point of view of whether or not a person is loyal, and whether his security qualifications are acceptable to the government. That has nothing to do with the protection of navigable waters.

The place in which to lay down your security provisions is in the Criminal Code,

the statute having to do with the provisions which are applicable to all the people of Canada, and not by way of an addendum or appendix to a bill in which it forms a most unnatural part.

What is going to be the result of this sort of situation? Are we to suggest that it is more essential or more desirable that seamen should be loyal and should be qualified, from the point of view of security, more on the great lakes than in any other port in Canada? Are the seamen working on the boats plying between Vancouver and Victoria in a less strategic position to do damage to Canada than those on the great lakes? Of course, the consideration given to these men is exactly the same, but because there is no general law defining what is meant by offences of this type there is to be this excrescence, in the technical meaning of that word, on the Navigable Waters Protection Act.

What is going to follow is that we will have to have a number of individual statutes covering a number of individual cases whenever security is felt to be of importance in employment of this type. Therefore, that is one other illustration of the desirability of getting this thing out of statutes of this sort and having it covered by general enactments so that all the people of Canada know where they stand.

I feel it may be interesting and proper to observe that in this case, Mr. Speaker, under the regulations which were enacted under the Emergency Powers Act on May 2, 1952, there is provision for a method of appeal by a person who feels himself aggrieved as a result of a decision by the minister. I make that remark in passing because I think it is interesting in the light of the recent discussion we had here when it was held that there could be no possibility of an appeal procedure.

But, sir, that is merely an observation in passing, and I think that the important thing for the House of Commons to bear in mind in this case is the principle involved.

It is certainly important that those engaged in navigation in Canada should be loyal and should not have communist sympathies. But while it is desirable to ensure that, I think this House of Commons has to ask itself the question whether it is proper to give the governor in council authority to lay down standards of security and standards of loyalty which are not communicated to the people as a whole, and in effect, provide for a crime by regulation instead of under the Criminal Code or some general statutes.

I am convinced that it is possible to do it in the other way and that this constitutes a breach of the principles of democracy. I therefore have no alternative but to vote against the bill on second reading for these reasons, as well as for those given by the Leader of the Opposition (Mr. Drew) and the hon. member for Vancouver-Kingsway (Mr. MacInnis).

**Mr. J. W. Noseworthy (York South):** Mr. Speaker, I am in full agreement with the previous speakers regarding their opposition to section 4 of this bill. The two houses of parliament have spent a total period of some three or four years revising the Criminal Code. There is included in that code just about every possible offence the Minister of Justice (Mr. Garson) and his department could think of over that period of years.

The Criminal Code is supposed to provide for the safety and security of Canada in so far as all citizens are concerned. But what the government is asking for in this legislation is the privilege of writing a special criminal code to apply to seamen on the great lakes.

It is quite possible that the prevailing conditions of employment for seamen on the great lakes may differ somewhat from the conditions of employment pertaining to employees in other fields, but surely it would be more democratic, if such a difference exists, to have these special offences written into the legislation so that all may know what these offences are for which a penalty up to $500 or three months' imprisonment can be imposed.

The government here is asking not only for the incorporation into legislation of orders in council which have been passed pertaining to the employment of seamen, but also for a blanket order to make any regulations, including those which were made under the Emergency Powers Act, for the next three years covering the employment of seamen on the great lakes.

We in this house all agree that democratic freedom should not extend to the point of giving to the enemies of democracy the freedom to destroy democracy itself. On the other hand, if in our defence of democracy we adopt the techniques of the dictators—and that is what the government is doing in asking for this power and it is what parliament will be doing in granting the government the power for which they ask under this legislation—there is a danger that we shall undermine the whole spirit of democracy. As a result of its long tenure of office and as a result of its overwhelming majority in parliament, it would seem to me that this government has gradually, bit by bit, taken unto itself more and more power. Perhaps

unconsciously here they are asking for just a little bit more power, namely the power to write a special criminal code that shall apply to a special group of people, namely the Canadian seamen employed on the great lakes.

I think that is asking too much of this house. If there are prevailing special conditions requiring special regulations, for the breach of which penalties of $500 or three months' imprisonment must be applied, then let us know what they are and let us have them incorporated into legislation or into the Criminal Code; but let us not give to the government any blanket order to make any regulations they like and to have those who violate those regulations subjected to imprisonment for three months or a fine of $500 for breach of some regulation about which the House of Commons has no knowledge.

**Hon. Stuart S. Garson (Minister of Justice):** Mr. Speaker, I did not intend to take part in this debate but when I perceive a number of my hon. friends on the opposition side taking a position which, I must confess, I myself would take if I entertained what I must regard as the wrong impression of this legislation which they appear to entertain, I think I should try to distinguish between the principle which they think is involved in this legislation and the principle which is actually involved. They have all said that in the Criminal Code we should provide for the security of our country—

**Mr. MacInnis:** We have done so.

**Mr. Garson:** —by making a crime those actions which would endanger the security of Canada. With that statement I think no person will disagree. But those hon. members who were on the Criminal Code committee will recall that, as was said by the hon. member for York South (Mr. Noseworthy), we already have all of these crimes fairly carefully covered in the Criminal Code. Indeed, the very crime which this present bill is designed to protect against is covered under the sabotage section, namely, section 509A of the present code. However, I think the point which my hon. friends overlook is this. Where we have a canal system such as we have on the great lakes, the wrecking of which would tie up an enormous amount of shipping which is absolutely vital to our economic welfare, it would be of extremely small comfort to the Canadian people to know that the man who got on the ship and placed there a bomb which would blow up any of these canals could be then convicted and sent to prison under the section of the Criminal Code prohibiting his crime.



Surely some confusion of thought has arisen here. I believe that this idea that when this matter is covered by the Criminal Code, the idea that we can pass that section of the Criminal Code and say: "Thank goodness we have taken care of the situation", is quite an erroneous one. What we are attempting to do in the present bill and in the seamen's regulations which were passed pursuant to the Emergency Powers Act is not, as is done in the Criminal Code, to make it a crime to do a certain thing and then, after it is done, to punish the person who is guilty of doing it. What we are endeavouring to do here is to prevent a crime from taking place by taking just some elementary precautions to see to it that that small fraction of Canadian seamen who might likely commit an act of sabotage on the great lakes are denied access to a position in which they could commit an act of sabotage.

I will agree that the powers here are rather extraordinary and that, if they were handled in an arbitrary manner, abuses could result. But when the Minister of Labour (Mr. Gregg) this morning told us that in respect of approximately 30,500 applications for seamen's cards which had been received under those regulations, less than two dozen had been rejected, I think that any Canadian with any sense of proportion at all will find it hard to believe that out of some 30,000 odd applicants for seamen's cards, the denial to less than two dozen Canadians of access to key points on our canal system is a fairly small price to pay for the protection of the greatest internal shipping route in Canada.

I do not think there is any member of this house who does not know as a most simple fact that if the Welland canal, for example, were put out of operation for any considerable period of time, the economic loss to this country would be almost incalculable. Surely to goodness it is not unreasonable that we should ask for precautions to be taken under which, out of some 30,000 applicants, less than two dozen seamen are denied access to a position in which sabotage might be committed by them. If this government did not take a step so simple and so elementary as that, I think that it would be deserving of condemnation.

It therefore seems quite idle to argue that there is involved here the idea that we have discharged our responsibility to the Canadian people by prohibiting sabotage, as we did in the Criminal Code, and by saying "Thank

goodness that question has been taken care of; we do not need to worry about that". Surely the Canadian people expect us to take these other precautions; and we take them, may I say, Mr. Speaker, without an unwarranted interference with civil liberties.

My friend the Leader of the Opposition (Mr. Drew) said that he was not inconsistent because he had always advocated that in the Criminal Code we should prohibit communism. He also said he thought a definition of communism could be devised under which it would be possible to prohibit it. But if we attempted to prohibit communism we should be making it a crime for a man to hold and to preach certain political doctrines. In this way, it seems to me, we would be clearly interfering with his freedom of thought and of speech. But even those who believe in freedom of thought and of speech will nevertheless condemn overt acts of disloyalty to their country. Here we are not attempting to condemn these overt acts but rather we are trying to prevent them. In reply to what the Leader of the Opposition said this morning I would say that it would be quite wrong for us to put any provision in the Criminal Code which would make it a crime for a man to entertain or to attempt to inculcate ideas, but when he passes from ideas to disloyal overt acts then the most free country in the world is entitled to take steps for its protection against his disloyalty. The only question that arises then is as to whether such steps are reasonable.

I think my hon. friends will have quite a hard time convincing the majority of the Canadian people that steps that are taken which deny access for less than 24 seamen out of 30,000 odd to positions in which they might commit sabotage are unreasonable. I do not think my hon. friend will ever be able to convince the Canadian people that that is the case.

**Mr. J. M. Macdonnell (Greenwood):** Mr. Speaker, the Minister of Justice (Mr. Garson) has spent several minutes in vehemently knocking down a straw man of his own creation. The Leader of the Opposition (Mr. Drew) said this morning quite frankly that he realized there had to be regulations. Indeed, he broadened out the problem and mentioned in particular the danger of sabotage in hydroelectric installations. His suggestion to the Minister of Labour (Mr. Gregg) was that the situation should not be left in this wide-open uncontrolled manner but that there should be some measure of spelling out in the statute. The Leader of the Opposition was very practical about it. As I say, he did not believe at all in the position suggested by the Minister of Justice. Of course he would be in favour of prevention, as the Minister of Justice said. Of course he did not argue that we should wait until the trouble was over and then seek to punish somebody when the damage was done. The hon. member for Kamloops (Mr. Fulton) also suggested something along the same lines.

I think we hoped that there might be a reply from the Minister of Labour. Meanwhile it is not surprising that we see our old friend back again. When we see the emergency powers bill, which we thought we had buried on the 31st of May, alive and kicking again on the 9th of June, it almost reminds one of the old saying, the king is dead, long live the king. I understand there is a French proverb, plus ça change, plus c'est la même chose. Here it is back again. It is not surprising that we are a little troubled. We were told last night that any special powers were justified on the ground of flexibility. That is a blessed word. I have looked it up and I understand that it means you can be pushed around easily, that you are very malleable. Perhaps we in the opposition have got to that stage.

I do not wish to take up time, but let me say again that the Minister of Justice has been knocking down a straw man. He has entirely misrepresented what the Leader of the Opposition said. What the Leader of the Opposition said, and I think I may say the hon. member for Vancouver-Kingsway (Mr. MacInnis) agreed, is that the way the section reads now the governor in council may prescribe penalties to be imposed on summary conviction for violation of any regulation made under this section. That does not sound as if it were restricted to the rather limited application outlined by the Minister of Justice, that all that is going to be done is to prevent some evil-disposed person from sailing on the ships, with which we will all agree.

As the hon. member for Vancouver-Kingsway said, the way this now reads it does not sound like the rule of law but like the rule of the cabinet. That was what the Leader of the Opposition was objecting to. Again, at the risk of repetition, let me say that he pointed out most clearly that he realized there should be regulations and it was a question of how they were to be proposed and to what extent they could be spelled out so that parliament could have a hand in the matter, instead of its being behind closed doors and in some mysterious fashion that nobody knows about.

**Mr. T. S. Barnett (Comox-Alberni):** Mr. Speaker, I have been following the discussion on this question, and I sense that even the Minister of Labour (Mr. Gregg) and the Minister of Justice (Mr. Garson) are not too happy over what they consider to be the necessity for the introduction of a measure of this kind.

**Mr. McIvor:** They look happy.

**Mr. Barnett:** In other words, they would prefer it if the situation were not such as to make the introduction of this sort of measure necessary as they view the situation. It seems to me that, in the words of the minister, if the powers granted here were abused it could be a dangerous thing in a democratic society. For that reason I believe that members of the house should scrutinize carefully the introduction of this type of legislation which singles out a certain segment of the working people of Canada for a special form of attention.

The Leader of the Opposition (Mr. Drew) pointed out the sort of thing that could happen. He asked why, if such a provision were going to be made applicable to seamen on the great lakes, it should not also apply to workers in power plants. If it were made applicable to workers in power plants why should it not apply also, for example, to workers in the Consolidated Mining and Smelting Company in British Columbia? One thing could lead to another.

For that reason I think the house should at least canvass all possible alternatives to the approach to this matter that is taken by the proposed amendment to the Navigable Waters Protection Act. I have taken the trouble to look at the Canada Shipping Act which in part III deals with matters affecting seamen. It seems to me that some of the problems that are supposed to be dealt with by the proposed amendment to the Navigable Waters Protection Act are in a sense covered by the Canada Shipping Act. For example, section 250 and following deal with provisions as to discipline. Section 250 reads as follows:

> If a master, seaman, or apprentice belonging to a Canadian ship, by wilful breach of duty or by neglect of duty or by reason of drunkenness,
>
> (a) does any act tending to the immediate loss, destruction, or serious damage of the ships, or tending immediately to endanger the life or limb of a person belonging to or on board the ship,
>
> (b) refuses or omits to do any lawful act proper and requisite to be done by him for preserving the ship from immediate loss, destruction, or serious damage, or for preserving any person belonging to or on board the ship from immediate danger to life or limb, he is in respect of each offence guilty of an indictable offence.



In section 256 there are certain provisions for protecting the master and officers of a ship from assault. Subsection 1 (e) reads as follows:

> If he combines with any of the crew to disobey lawful commands, or to neglect duty, or to impede the navigation of the ship or the progress of the voyage, he is liable to imprisonment for a period not exceeding three months.

Subsection 1 (f) reads as follows:

> If he wilfully damages his ship or steals or wilfully damages any of her stores or cargo, he is liable to forfeit out of his wages a sum equal to the loss thereby sustained, and also, at the discretion of the court, to imprisonment for a period not exceeding three months.

Subsection 2 says:

> Any imprisonment under this section may be with or without hard labour and the court may discharge the seaman from his ship.

Then, section 187, subsection 1, says:

> Where a seaman is discharged before a shipping master the master shall make and sign, in a form approved by the minister, or any form approved by the proper authority in that part of Her Majesty's dominions in which the ship is registered, a report of the conduct, character, and qualifications of the seaman discharged, or may state in the said form that he declines to give any opinion upon such particulars, or upon any of them, and the shipping master before whom the discharge is made shall, if the seaman desires, give to him a copy of such report (in this act referred to as the report of character).

Subsection 2 says:

> The shipping master shall transmit the reports to the minister, or to such other person as the minister may direct, to be recorded.

Subsection 3 says:

> Every person who
>
> (a) makes a false report of character under this act, knowing the same to be false;
>
> (b) forges or fraudulently alters any certificate of discharge or report of character or copy of a report of character;
>
> (c) assists in committing, or procures to be committed, any of such offences as aforesaid; or
>
> (d) fraudulently uses any certificate of discharge or report of character or copy of a report of character which is forged or altered or does not belong to him;
>
> is in respect of each offence guilty of an indictable offence.

Then, section 258 (1) says:

> A seaman who, on or before being engaged, wilfully and fraudulently makes a false statement of the name of his last ship, or alleged last ship, or wilfully and fraudulently makes a false statement of his own name, is for each offence liable to a fine not exceeding twenty-five dollars.

It seems to me, Mr. Speaker, that when we have an act such as the Canada Shipping Act which deals with questions relating to shipping, when we have set forth in that act provisions against offences that will cause damage to a ship or its cargo, when we apparently have wide powers already set up in regard to keeping track of the character

of seamen and provision for any fraudulent representations in that connection, we already have a framework which, possibly with some judicious amendment, would take care of this particular situation. It would cover the dangers outlined by the Minister of Justice, without making the special provisions outlined here that, in effect, give unlimited powers to the governor in council, who would have discretion to make regulations covering the danger of sabotage in the great lakes area. It seems to me some consideration should be given as to whether it would not be possible to deal with the matter under the existing statute. I, for one, would like to hear from the responsible minister some explanation as to why the government apparently prefers to take this approach by the introduction of this new part to the Navigable Waters Protection Act.

**Mr. Stanley Knowles (Winnipeg North Centre):** The parliamentary assistant to the Minister of Transport, when he spoke introducing this legislation, said that like ancient Gaul it was divided into three parts. I believe it was the Right Hon. R. B. Bennett, or if not it was someone in his day in parliament—no, it comes to me now that it was the late Sam Jacobs—who, when confronted with a piece of legislation which had been characterized in that way, replied "Yes, but all the gall is in the third part." That is the way we feel about this bill. There is a good deal of gall in the third part; indeed the government has a good deal of gall in bringing this matter before parliament.

The offensive part of this legislation, Mr. Speaker, is the part having to do with the continuing in force of the regulations affecting great lakes seamen, and it is that which has been discussed for the most part by those who have taken part in this debate. May I point out that this part of the legislation deals with persons, with security and with crimes. Surely, if legislation of this kind was to be brought before parliament it should have been brought in in the name of the Minister of Justice (Mr. Garson). If it could be argued that it had something to do with labour matters, perhaps there might have been an excuse for it being brought in in the name of the Minister of Labour (Mr. Gregg). But certainly, this provision has no relation to the protection of navigable waters.

In that connection, Mr. Speaker, I am going to make a confession. That may not be a good thing to do in these parts, but I shall take a chance. It happens that the group to which I belong has given me as whip, amongst other duties, the duty of watching the legislation that comes along and making sure that all matters that we want to discuss are brought to the notice of the particular members in our group who specialize in particular fields.

I knew that legislation respecting great lakes seamen was coming. I saw references in the press to the fact this matter had been discussed in the other place, and I was watching for it. I had already indicated to certain members in our group that when it came here I would draw it to their attention. I believe members generally will agree that not many things around here escape my notice. Despite all that, despite the fact I was watching for this legislation, I missed it. I did not think, when I saw a bill to amend the Navigable Waters Protection Act, there would be buried in it a section the purpose of which was to carry forward the great lakes seamen's regulations which were in effect under the Emergency Powers Act.

Now, I make that confession to underline the fact the third part of this bill really has no place in this legislation at all. The Minister of Justice, in his plausible attempt to defend this legislation, talked about the right or duty of the government to take certain elementary precautions. What were the precautions he said the government should take? He said that they should prevent that small minority, and he put it that way, who may be likely to engage in sabotage of one kind or another from obtaining employment on ships plying the great lakes system of this country. That is all he talked about.

**Mr. Garson:** My hon. friend does not put that in precisely the way I put it.

**Mr. Knowles:** I will permit the minister to do it, then.

**Mr. Garson:** I said, gaining access to a position in which they could commit acts of sabotage; there is quite a difference.

**Mr. Knowles:** But the section relates to, and puts it in these words, "respecting the employment of seamen on board Canadian ships in the great lakes". I think that, regardless of the words the minister has now used, I have to interpret what he has now said as relating to the gaining of employment on ships plying the great lakes. When one couples what was said by the Minister of Justice (Mr. Garson) with what was said by the Minister of Labour (Mr. Gregg), it seems to me it is clear that what is involved in the regulations to be made under this section is the question of employment on ships plying the great lakes.

Since when has it been a crime to seek employment? Since when has it been decided that we shall have on our statute books laws making provision for the imposition of penalties of $500 or imprisonment for three months, or both, for the seeking of employment? There may be a case to be made for screening, which would result in certain people being denied the right to obtain certain employment. And even that would need to be gone into. Other hon. members, including the Leader of the Opposition (Mr. Drew), have done so.

But surely there should not be attached to provisions referring to the seeking of employment the right of the government to impose a penalty of $500, or three months' imprisonment, or both fine and imprisonment. I suggest that this is going just a little too far. I do not need to repeat the arguments which have been made by the Leader of the Opposition, the hon. member for Vancouver-Kingsway (Mr. MacInnis), the hon. member for Kamloops (Mr. Fulton), the hon. member for Comox-Alberni (Mr. Barnett), the hon. member for Peace River (Mr. Low) and others. Surely we should look at this in its proper perspective, and realize that the government is asking, under the pretext of this legislation, for much wider powers than it has any right to have, or to ask parliament to give it.

I plead very strongly and earnestly with the government to reconsider this whole matter. The third part of the bill deals with a subject matter entirely different from the scope of the bill. Like some other measures, it came from the other place, and was dealt with first over there. It was presented to us this morning, not by the Minister of Justice, who should be dealing with matters involving crime and punishment, not by the Minister of Labour (Mr. Gregg), who has been responsible in the past for the administration of great lakes seamen's regulations, but by the parliamentary assistant to the Minister of Transport. Even if it had been the Minister of Transport (Mr. Chevrier) I do not think it would have been proper. But the fact that it did have all these other involvements has meant that the Minister of Justice and the Minister of Labour have felt that they should participate in this debate.

Mr. Speaker, this parliament is being faced with altogether too much of this kind of legislation. We have too many requests of this kind in which parliament is asked to turn over its rights and powers, and all kinds of authority, to the government. I wonder when the day will come when the government will bring in a bill in which it will ask parliament to give to the government the power to do anything it pleases when parliament is not sitting—whereupon it would probably move that parliament be adjourned.

[Mr. Knowles.]

In my opinion this legislation goes too far. There is far too much gall in the third part of it, and we shall oppose this bill.

**Mr. Solon E. Low (Peace River):** Mr. Speaker, I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for having given me credit for stating my views. I must point out to him however that, while I did rise to my feet on one or two occasions, someone beat me to it. Nevertheless there is something I should like to say.

**Mr. Knowles:** I must have been reading the hon. member's mind. I did see him on his feet.

**Mr. Low:** The fact is that I have been giving this whole matter the most earnest consideration and attention. Certain thoughts have been running through my mind as I have listened to the debate, and considered the points made by all hon. members, from the speech of the Leader of the Opposition (Mr. Drew) until the present time.

In the first place, we have no Emergency Powers Act now. Whether that is because hon. members in the opposition have spoken so continuously against it, I cannot say. The fact remains that the government does not have the Emergency Powers Act to fall back upon today.

Then, secondly, everyone knows that today, while we may not have a state of emergency, in reality this is a time of great danger; and certainly the government must have ample authority to meet the dangers that beset us. No one can deny that the government does require perhaps unusual authority to deal with the dangers that beset our country. I would not be averse to giving it ample power to prevent any possible acts of sabotage, or any danger of that kind. I am not so greatly concerned about the matter of giving power to the government. Let us give them all the power they need to deal with the situation realistically and firmly. But I think hon. members who have spoken thus far have made a good case. Certainly we do not want to be parties to giving them powers we do not know about, or that they can extend into greater powers we are not thinking about at the present time.

I believe that is the crux of the whole situation. I should think the government could bring before us an amended section 34 of the Navigable Waters Protection Act spelling out in more or less detail exactly what it requires. I do not think any of us would have any hesitation in giving the government the powers it requires, even to the extent of screening workmen to a point where the government might deny to even more

than two dozen persons the authority or the right to work on ships on which they could commit acts of sabotage.

I am willing to give consideration to any proposal the government may make that would make it clear to us exactly what it is trying to prevent, and what it must do. If the government will spell out something I will be very glad to give it consideration. Under the circumstances, however, I must go along with those who have spoken already against giving wide and indefinite powers as set out in section 34. I would like to hear the minister, or some other member of the government, place before us something in specific terms. If so, I would give it my support.

**Mr. Speaker:** Without finding fault with anything that has been said in debate thus far, at this juncture may I observe it strikes me that, while it has been pointed out that there are three parts in the bill, all the debate has revolved around section 34. There has been a complete omission of the other two parts, with which, it would seem, hon. members are in agreement.

It strikes me that this debate could take place in committee on section 34, where the questions hon. members are anxious to ask could be answered. I am led to these remarks by the closing words of the hon. member for Peace River, who is anxious to learn the views of the various ministers concerned with section 34. Apparently no disagreement exists with respect to the other two parts. I have allowed the Leader of the Opposition (Mr. Drew) and members who followed in the debate to refer to the sections because this is an amending bill, and perhaps it would have been difficult to discuss it without referring specifically to some of the contents of it. But now, as the debate on second reading carries on and we hear nothing about the other two parts and the entire discussion revolves around section 34 —I am not making a ruling—I ask hon. members whether they would not consider, in the interests of order in the debate, restraining themselves at this moment and carrying on in the fashion they wish in committee on section 34.

**Mr. Low:** I apologize if I was out of order.

**Mr. Speaker:** The hon. member was not out of order. That is not the reason I rose. He suggested that he was anxious to get some replies, and I thought that I would make these observations because, as he does realize, if the parliamentary assistant, who opened the debate on this measure, replied he would close the debate; whereas if we were in committee on the bill and were discussing section 34 the hon. member could have his reply and could ask any further questions not only of the parliamentary assistant but of others such as the Minister of Justice (Mr. Garson) and the Minister of Labour (Mr. Gregg) who have spoken in this debate. The hon. member cannot ask for further clarification before making up his mind because these two ministers cannot speak again. The only one who can speak now would be the parliamentary assistant, who opened the debate on behalf of the Minister of Transport (Mr. Chevrier), and should he be called upon to speak again he would close the debate.

**Mr. Low:** Perhaps we could get the Minister of Finance (Mr. Abbott) into this.

**Mr. Colin Cameron (Nanaimo):** I quite understand your point and your misgivings about the debate, sir, but with all due respect to you I would point out that a very important part of the principle of this bill is involved in this particular section that shall be nameless. Not only that; there is another principle involved, one to which members of this group and, I think, of the official opposition have taken exception, and that is the principle of including this type of thing in this particular sort of legislation.

**Mr. Speaker:** May I at this moment interrupt the hon. member and tell him that these arguments have already been made by three, four or five speakers before him. If I were to put into force the standing order, which I think is standing order 40, to the effect that repetition is not permitted, not only repetition in one's own argument but repetition of the argument of others who have participated in the debate, I think I could perhaps persuade him that he should not pursue his point until we are in committee of the whole on the bill.

**Mr. Cameron (Nanaimo):** Then I shall proceed, if I may, to the discussion of what seems to be the important principle of this bill, namely, the inclusion in it of a measure that should be somewhere else, and not only that, but the inclusion of something which obviously will not have the effect the government pretends it will have.

Some few days ago the Winnipeg *Free Press*, an ardent, not to say sycophantic, admirer of the Liberal government, saw fit to publish an editorial in which they were viewing with grave misgiving the evidence of intellectual and administrative degeneration in the Liberal government. What they are going to say when they see a report of today's proceedings, I do not know, but I have heard a number of fatuous and puerile arguments from the government benches. With all due

respect to the Minister of Justice, I do not think he really could have expected us to take seriously the arguments he presented a few minutes ago. He said this particular measure must go in to protect the Welland canal, among other things. Mr. Speaker, I am going to suggest this. I have a higher opinion of the intelligence of any possible subversive elements in Canada than to imagine that one of them who has in mind the blowing up of the Welland canal is going to all the trouble of trying to get a job on one of the steamships on the lakes. I suspect he will take the bus down and will go and blow it up that way, or if he does not want to do that, if he wants to do it more easily even, if he has some nautical aspirations, then he will buy a ticket on one of the passenger boats and drop it overboard as he goes through. What nonsense!

Does the Minister of Justice insist on screening all the employees of the Canadian Pacific who go through the Rogers pass tunnel? Does he insist on screening all the employees of the Canadian National Railways who go through the Fraser canyon, any one of whom could toss a bomb which could destroy and disrupt the trade of Canada just as effectively as the destruction of the Welland canal—and more effectively, because it would cut off the Canadian west coast of this country? What nonsense!

I have had some experience with screening propositions, Mr. Speaker. About eighteen months ago I had to sign an affidavit that I would not reveal any state secrets that might be involved in the waste of public money on naval vessels in a certain dockyard in Canada, and I had to sign an affidavit that I would not reveal anything that came to my knowledge in the course of my employment. The young man who was giving me this security test, which was a very solemn affair, told me that he would leave this with me and I could study it for a few minutes and he would be back later and then we could sign it with all due solemnity. When he came back I signed it. He said: "Have you read it?" I said: "Yes, I have read it". "You can understand it?" I said: "Yes, quite easily". I rather shattered the young man. I said: "You know, this thought occurs to me, that if I were a Russian spy I would sign this without the slightest hesitation, and if that is the only means you have of keeping subversive elements out of the yard, then this yard is in a bad way". Whereupon the young man said: "But you forget this; having signed this, you are now liable to 14 years in the penitentiary". I suggested that 14 years would not be a circumstance to what would happen to me if they caught me with a bomb in my pocket. Mr. Speaker, this thing is so patently ridiculous and absurd that I hesitate even to attribute it to this government. I suspect, sir, that this is the result of pressure from somewhere else. I suspect that this is the result of pressure from a place where a considerable measure of hysteria is prevailing at the present time, and that our government is doing this to reassure people somewhere else outside of Canada that if at some time these people discover someone on one of the lake boats, one who took part in a peace rally, a May-day parade or, like the Minister of Justice, sat on the platform with a Soviet representative, the government of Canada will be prepared by regulation to cut off his head and take him off that ship.

I cannot see that there can be any other explanation for this ridiculous and fantastic piece of legislation, Mr. Speaker, which in the first place gives to this government the power to create crimes, to say that this shall be a crime. If they are going to be able to do this by order in council, what are they going to constitute as a crime tomorrow? Perhaps they will constitute as a crime the saying of rude things that are said about the Liberal government of Canada, and there will be an awful lot of us in the penitentiary.

I would suggest, Mr. Speaker, that this government had better tell anybody who is bringing pressure on them that we have our own methods of safeguarding our way of life in Canada; that we are not impressed with the methods employed in other places; that reasonable precautions are taken and that we are still able to look after our own affairs in this country, because otherwise the only explanation that I have—it is not an explanation—the only explanation I have is that this government has gone slightly daft.

**Mr. J. G. Diefenbaker (Prince Albert):** Mr. Speaker, I have listened to almost all of this debate, and as yet I have not heard any explanation satisfactory to myself why parliament should be asked to make suspected wrongful thinking an offence on the great lakes. This is the first time that parliament has been asked to create a territorial offence. I think it is a dangerous course of action and one that indicates that what the government is trying to do is to bring legislation into effect, allegedly for the security of Canada, while afraid to face the issue and place that legislation before parliament.

I cannot agree that parliament should be asked to grant these comprehensive rights asked for under this bill whereby the governor in council will be authorized to have undesignated powers to do undefined things

for unanticipated offences not yet committed. That is what this legislation in effect does.

The Minister of Justice (Mr. Garson) said it is not a crime to entertain wrongful ideas so long as they are not overt acts. With that principle, Mr. Speaker, I agree.

However, if parliament grants this power as asked for by this back-door method it will in fact be making it a crime, within the designated limits of regulations about which we know nothing, to create an offence for alleged wrongful ideas.

What is the offence to be? Guilt by association? That is something which, I think, should be debated in this house—the concept too often regarded in neighbouring countries as a reason for destroying the reputation, if not the livelihood, of those who have committed no offence other than being suspected of wrongful thought. When I think of those who say there should be guilt by association I often wonder what the position of members of this House of Commons would be who sat in this house for three or four long years with a member who was a communist and who was afterwards convicted as a traitor to this country.

This type of legislation granting to the governor in council the power to do that which the council of the governor is afraid to bring before this house in direct legislation is a negation of parliament, and as far as I am concerned I am going to vote against it.

The house divided on the motion (Mr. Garson, for Mr. Chevrier) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Benidickson
Bennett (Grey North)
Blanchette
Boisvert
Boivin
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carter
Cauchon
Cavers
Clark
Cote
Crestohl
Croll
Dechene
Decore
Denis
Deschatelets
Dickey
Enfield
Eudes
Eyre
Fairey
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Legare
Lesage
Lusby
MacDougall
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIvor
McMillan
McWilliam
Maltais
Mang
Martin
Masse
Matheson
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Pouliot
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Roberge
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith
Stick
Stuart (Charlotte)
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Wood—139.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Blair
Brooks
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn
Harkness
Herridge
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Low
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Monteith

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| Patterson | White (Middlesex East) |
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Bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

**The Chairman:** Order. The house in committee of the whole on Bill No. 471, an act to amend the Navigable Waters Protection Act. Clause 1.

On clause 1—*Recovery by Her Majesty from owner, etc., of costs of placing signals, removing wreck, etc.*

**The Chairman:** Shall the clause carry?

**Mr. Fulton:** Mr. Chairman, I rise at this stage for the purpose of making a suggestion to Your Honour which, if accepted by you and by the committee, I think might facilitate the orderly discussion of the bill. The bill consists of only two clauses but it seems to amend four different sections of the act. I wonder whether it might meet with your approval if we were to discuss each section of the act by itself rather than merely the two clauses of the bill as two separate proposals.

**The Chairman:** Is that agreeable to the committee?

**Some hon. Members:** Agreed.

Clause agreed to.

Clause 2, section 33, agreed to.

On clause 2, section 34—*Regulations.*

**Mr. Fulton:** This is the clause to which of course great objection was taken. The matter was discussed fairly fully on second reading, and now we can ask questions in detail. I suggest that one of the absurdities of going about the matter in this way is illustrated by the fact that the government, which considers it necessary to take these security measures, has to introduce an amendment to the Navigable Waters Protection Act which of course has nothing to do with security. But this clause only has reference to the great lakes. As was pointed out by the hon. member for Prince Albert, the effect is to create a crime with reference to a particular territory alone. What about the seamen working on the Vancouver-Victoria boats? Is it to be suggested they could not do equal damage by blowing up a dock at Vancouver or Victoria? How on earth is it proposed to deal with a situation of that sort in the absence of legislation of general effect? Has any of the ministers an explanation of that anomalous position?

**Mr. Gregg:** Before an answer is made to my hon. friend's question, and since on second reading a number of speeches were directed at this section of the act and the regulations made thereunder, I should like to make some comments on the points that were raised. The hon. member for Greenwood quite naturally expressed a desire to know more about how these regulations had been dealt with. The same applies to the hon. member for Peace River who asked the question: What is involved here? The hon. member for Winnipeg North Centre in his turn stated that there was no connection whatever between section 34 and the Navigable Waters Protection Act. I think we can take some exception to that because if he will cast his mind back a few years to just prior to 1950, the sabotage and destruction of property along the waters of the St. Lawrence certainly had something to do with the protection of that waterway. Without developing that, he went on to state that authority was being granted here by which the government may fine people for seeking employment. I know he did not really mean that because, as he and the committee are well aware, the regulations which were set up under the order in council were tabled in the house and do not provide for such a fine.

The regulations were first tabled by my parliamentary assistant back in 1951, and the amalgamated regulations and amendments thereto were tabled by the Prime Minister in 1952. The fines set out under the regulations have nothing whatsoever to do with the seeking of employment. They read as follows:

> Every one who,
> (a) knowingly furnishes any false information or material in or in support of an application for a seaman's card or in a certificate required by subsection 2 of section 19, or
> (b) contravenes or fails to comply with any provision of these regulations,
> is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment not exceeding three months or to both such fine and such imprisonment.

Under that regulation we do not fine people for seeking employment. I want to make that very clear.

**Mr. Fulton:** Would the minister read section 5 of the regulations?

**Mr. Gregg:** Section 5?

**Mr. Fulton:** Yes.

**Mr. Gregg:** It reads as follows:

No person shall accept employment or act as a seaman on board a Canadian ship in the great lakes, unless he is the holder of a provisional or regular seaman's card.

It is in connection with what was implied in the question of the hon. member for Greenwood that I want to give the committee a fairly full report as to what is involved under the existing regulations because the procedure, if the bill is put into effect, would be the same as under the former regulations. I will try to outline the situation as briefly as I can.

A seaman seeking employment on a vessel operating on the great lakes and upper St. Lawrence must make application to a local office of the national employment service for the issue of a seaman's card and must be in possession of either a provincial or a regular seaman's card to secure employment. You may ask the question at this point: Why were the Department of Labour and the national employment service chosen from among all the departments of government to act in this regard? I think there were two points involved. One of them, which is quite important, was the fact that my department and the unemployment insurance commission from day to day have a good deal to do with organized labour, the workers of Canada, and perhaps were as well equipped as anyone to discuss both with organized management and with organized labour all the factors involved in this proposed step that was taken under threat of emergency back in 1950. And so it was.

We discussed the matter at that time with the dominion marine association of Toronto representing the shipping companies or employers. We discussed it fully with the representatives of unions operating on the great lakes, namely, the Canadian merchants service guild—deck officers—the national association of marine engineers and the international seafarers union. I may say that after a full discussion of all the points involved none of the organizations, either employer or employee, expressed any disagreement with the step involved. There were differences of opinion of course as to how it could best be accomplished.

The second reason why the Minister of Labour was chosen to administer these regulations was the fact that he was responsible for the 230 national employment offices across Canada and it did appear that those offices and their officials would be best equipped to do the routine work for the convenience of applicants seeking work.

This is the procedure that we have been following. We issue provisional cards to new applicants as they appear at the local national employment offices. Such cards are valid for sixty days. During that period of time the individual's application form, accompanied by photographs and fingerprints, is turned over to the Royal Canadian Mounted Police for investigation. After the application has been screened, a regular seaman's card has been issued to him by the national employment office in exchange for the interim or provisional card issued at the time of this application, providing of course that it is not withheld for the reason the Minister of Labour has been satisfied that the presence of the applicant on board a Canadian ship in the great lakes might prejudice the security of Canada.

Where the screening of the application takes longer than 60 days, as was frequently the case at the beginning, it is not the practice to bar the seaman from employment but rather he has been permitted to continue sailing under his provisional card until the security screening has been completed. Where no derogatory information relating to national security is disclosed by the screening, a regular seaman's card is issued as a matter of course, and in my statement earlier I indicated to the house that that applied in a total of over 30,000. Where information bearing on national security is uncovered, that information concerning the application is dispatched to and considered by the Minister of Labour and his advisers.

Information received from the R.C.M.P. or any other source is assessed by the minister, and if he feels that the information received is sufficient to warrant the denial or withdrawal of a seaman's card, he so withdraws or denies it. In cases where the minister is satisfied the presence of the applicant on board a Canadian ship in the great lakes might prejudice the security of Canada, the applicant is so advised by a personal letter from the minister delivered personally by an official of the national employment service of the unemployment insurance commission. The seaman is then required to surrender any valid provisional or regular card. At the same time, if the question is raised by the seaman he is advised that he may, by an application in writing to the minister, request that his case be reviewed by the advisory committee. This advisory committee is composed of a retired judge of the exchequer court and two representatives of organized labour appointed after consultation with responsible national bodies of organized labour.

Upon receipt of a request for review, the minister asks this advisory committee of not less than three in number to investigate all the available information, and report its views with respect thereto to the minister. In practice, where the need to appoint an advisory committee has arisen, a committee of three persons has been appointed consisting of the retired judge, to whom I referred, as chairman, and two other members representing organized labour. Under the present regulations the advisory committee, subject to the direction of the minister, furnishes to the person who has requested the review such information made available to it as in the opinion of the committee it is possible to furnish to him without prejudice to the security of Canada and to the public interest. The committee also affords the individual an opportunity to make representations to it either personally or with the assistance of counsel.

The minister may, after considering the report of the advisory committee, grant or refuse to grant a seaman's card to the person requesting the review, and the minister's decision is final. The minister's decision is conveyed to the person requesting the review in writing. I can add that in each case I have followed sedulously the recommendations of the advisory committee.

**Mr. Diefenbaker:** In how many cases did the advisory committee recommend a change?

**Mr. Gregg:** I am afraid I sent my notes to *Hansard*. It would not be complete to mention just one item out of a number, so perhaps I might repeat a portion of my remarks.

On April 26, 1954, there was a total of 30,540 applications received and processed under the regulations in the manner I have described. Some of the applications were imperfect, that is had not been made out properly, and some persons who had made applications could not be traced when the national employment service attempted to call them up. Of the remainder, 29,971 were sent to the R.C.M.P. for checking. Of these a total of 29,571 had been screened at that date, April 26, while 400 cases were still under investigation. Of the 29,571 applications screened, a total of 29,422 were cleared and 149 applications were questioned. Of the 149 cases questioned for the reason that information had been received having a possible bearing upon security, 122 were cleared as a result of the study of the circumstances by the minister's advisers, while 20 were refused regular seaman's cards and seven cases were in abeyance pending a decision as to whether or not cards should be issued.

As of April 26, 1954, seven of the persons denied cards had made a request for a review of their cases. In one of these cases a further investigation resulted in the person being cleared without a review by the advisory committee. In three cases the committee confirmed the minister's decision to refuse to issue a card. Two requests for review lapsed, one for the reason the subject was deported and no further action was required under the security regulations, and the other for the reason the person concerned did not present himself for hearing. One request is still pending.

**Mr. Drew:** I wish to direct my remarks once again to one aspect of this measure before us with which I did deal this morning and which the Minister of Justice in turn dealt with following what I had said. The Minister of Justice spoke of the fact that 24 dangerous men had been kept off ships as a result of this measure, then effective under the Emergency Powers Act. He asked if we did not believe it was a good thing that was done. Of course, we believe it is a good thing to keep dangerous men off ships. We believe, however, it should be done under a proper legal process. We believe it should be done under a law that is known to the person affected. We believe it should be done under a law which permits appeal to the courts and protects the right of the individual. We believe it should be done under a procedure that is consistent with our long established ideas of an open trial, except in those extremely unusual cases where some secrets of immense importance might possibly be under consideration. However, that does not affect the cases before us, so far as can be ascertained.

What we have been pointing out is that if there are dangerous men, those dangerous men should be dealt with under methods which do not infringe upon that democracy and freedom that we presume such dangerous men would wish to destroy.

One point which has not been dealt with effectively by the government is the point we make that this is brought up in a very improper way, under an amendment to the Navigable Waters Protection Act. As has been so aptly pointed out by the hon. member for Prince Albert (Mr. Diefenbaker), this is creating a list of undefined offences in respect of which there may be punishment by a method, in itself not defined, and limited to a particular geographical area. Not only is it limited to a particular geographical area, but it is limited to a particular occupation.

May I ask just a few questions which, in themselves, it seems to me, seem to give the answer to any suggestion that this is the proper way to deal with offences of the kind

I have mentioned. If we are trying to deal with dangerous men who are making an effort to sabotage important transportation equipment, or any other equipment in our economy or society at this time, then why deal alone with steamships in a limited area? Why deal with a limited means of communication, with a limited activity in a limited area? Why not define the offence and make it applicable to anyone, under the jurisdiction of Canadian courts? If dangerous men are to be prevented from committing sabotage, or otherwise from undermining the security of Canada, why should that not apply below the Victoria bridge at Montreal as well as above it? Is the danger any less because it happens to be on the mighty St. Lawrence, right down to its mouth, below the Victoria bridge? I do not think so.

Is the danger any less on the Peace river, the Athabasca river or the Mackenzie river, where the uranium bodies are the most precious in the world today? Is it any less on the ships between Great Britain and Newfoundland? Is it any less on the extremely important ships carrying precious freight between the mainland and Vancouver island? Is it any less in those ships plying the waters of Hudson bay? Is it any less on the other lakes, not included in what we define as the great lakes? Precious cargoes of immense importance to Canada may be moving in those lakes.

And that applies only to the ships. What about the coastal ships under Canadian registry carrying vitally important traffic? What about the coastal ships carrying alumina up to Kitimat, in northern British Columbia? What about the ships carrying alumina up the St. Lawrence and up the Saguenay, to the Shipshaw plant in Quebec? They would not come under this clause in the bill, as related to the Victoria bridge in Montreal.

Let us look at other things; let us look at some of the other means of transportation. What about sabotage on the railways? What about sabotage on the air lines—because, after all, we know of cases of sabotage on the air lines. And they form an extremely important part of our communications system. What about sabotage in the great communications system that provides the nerve centres—the telegraph lines, the wire lines? That would be a good place for sabotage, if someone wanted to destroy their effectiveness.

What about the pipe lines that carry the oil; what about the refineries and the storage centres in the country? Are not dangerous men likely to do harm there, and in exactly the same circumstances, and with the same disloyalty as is dealt with here? What about the gas pipe lines, and the distribution equipment which is likely to be so important —and was so important in the last war? What about the private companies producing military equipment? Would not dangerous men, with sabotage as part of their plan, be just as dangerous there as on any ships? What about explosive plants carrying out production for the government? Would not sabotage there be more effective and more destructive and more far-reaching than anything that might be done in any single ship on the great lakes, in the ordinary course of events?

And, Mr. Chairman, what about foreign ships that ply our waters so regularly, and now carry so much traffic? May I remind this committee that if there is a hydrogen bomb or an atomic bomb exploded in the vicinity of Toronto or Hamilton, or any of our inland cities, it will not likely be carried by aircraft; it will likely be carried on a ship, where it can be hidden easily. That is well recognized. There is even greater danger of the transmission of a hydrogen bomb or atomic bomb by ship than by aircraft.

Of what use is a measure to limit the activities of dangerous men if it does not deal with foreign ships?

**Mr. Garson:** Would the Leader of the Opposition permit a question?

**Mr. Drew:** No. I would prefer to continue until I have finished. I welcome the minister's interest, and I shall listen to him with interest; but when asking a question, because of his interest in the subject he has the habit of making a speech within a speech. I would prefer to finish my remarks.

**Mr. Garson:** It might be an embarrassing question.

**Mr. Drew:** No, it would not be embarrassing at all. The minister never asks questions which are embarrassing, but they can be disturbing.

**Mr. Diefenbaker:** Sometimes they are embarrassing to himself.

**Mr. Drew:** I would prefer to continue, because I wish to keep the context clear.

I am simply pointing out how ineffective as well as improper is a limited provision of this kind—one that is limited not only as to geography but also as to the particular type of transportation and particular occupation involved.

What about known communists in the uranium mines in Canada? That is a question that relates directly to this. What about known communists in the heavy water operations being carried on by a private company

on behalf of the government? And, as the minister well knows, a communist-led union is the recognized bargaining agency in that extremely important operation—as are also communist-led unions in the uranium mines, at this time.

If we find dangerous men in our ships, how about a law which will apply to everyone, and keep dangerous men out of all these other operations? And then let me come back to what, after all, is the very lifeblood of our productive system; I refer to electricity. Everyone knows that we are more dependent than any other country in the world, for our immense industrial production, upon electricity. A comparatively small team of highly trained saboteurs could paralyse the industrial production of Canada, if they were permitted to do so without interference. Why not have a law with general application which would make it possible to deal with such people?

And may I say something that I know the minister knows about—that there are known communists in some of our big hydroelectric plants today, and we have no law to deal with them at this time, although that is where they present a danger to Canada at this time.

For several years we have been asking for a simple, workable and clearly defined law that would define this kind of danger to which the minister refers. We have been asking for a law, not one to deal with any particular activity by name, but rather by a definition of that activity. We want an effort on behalf of any foreign power opposed to the safety and security of Canada to be an offence defined by law and punishable in our courts by Canadian jurors, and not punished behind closed doors by undefined laws, by undefined agents, and under terms that not one of us will know about if we give this power to the government. Now, with these powers, unsatisfactory in form, unsatisfactory in extent, this is a good time for a return to democracy, and this is a good time for the government to comply with the request we have made over and over again to define the offence with reference to a foreign power which is seeking to undermine the security of Canada and place it in a form that will make it possible to bring these dangerous men, to use the term employed by the Minister of Justice, before the courts of Canada, where Canadian jurors, with that justice which is the pride of Canada, can decide whether they are innocent or guilty, and if they are guilty, where they will be sent to jail, where they should be, if they are trying to undermine the security of our country.

[Mr. Drew.]

**Mr. Knowles:** I should like to return for a minute or two to the comments the Minister of Labour made in reply to something I said when we were at the second reading stage. The minister felt that I could not really mean it when I interpreted this section as making it possible to impose a penalty on a person because he sought employment. The minister, in answering me, read certain of the regulations under P.C. 2306 of May 2, 1952, and suggested that what was in the government's mind was the matter of providing penalties for any false declaration. As was brought out by the question put to him by the hon. member for Kamloops, there is included in the regulations No. 5, which reads:

> No person shall accept employment or act as a seaman on board a Canadian ship in the great lakes, unless he is the holder of a provisional or regular seaman's card.

I look at the end of P.C. 2306 and I find that it says that everyone who contravenes any of these regulations—

> . . . is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment not exceeding three months or to both such fine and such imprisonment.

I admit it is far-fetched, but I suggest the possibility is right there that if a person manages to get employment as a seaman on board a Canadian ship on the great lakes, contrary to the provisions of this order in council, he could be charged and sentenced to a fine of $500 or to three months imprisonment, or to both such fine and such imprisonment. But, Mr. Chairman, apart from all that, may I point out that we are not voting on these regulations; we are voting on a section that is to be written into a law that will permit the government to make regulations. We are led to believe that the regulations that will be made will be the ones that are now in effect; we are led to believe that these regulations will be continued. That is not what we are voting on. We are voting on a clause which says, and I think the clause should be put on the record in its entirety:

> The governor in council may make such regulations as he considers necessary or desirable in the interests of the safety or security of Canada respecting employment of seamen on board Canadian ships in the great lakes, and may prescribe the penalties to be imposed on summary conviction for violation of any regulation made under this section, but such penalties shall not exceed a fine of five hundred dollars or imprisonment for a term of three months or both fine and imprisonment.

I submit, Mr. Chairman, that under that wording there is nothing involved but the matter of employment of seamen on board Canadian ships in the great lakes, and the right given to the government to impose

penalties for people who break regulations respecting such employment. I repeat, Mr. Chairman, that what we are voting on at this time is not order in council P.C. 2306; what we are voting on is the clause which I have just read, which gives extremely wide and undefined powers to the government in this field.

In this connection may I remind the government that this is not the first time the house has had to deal with a situation where emergency powers were expiring, and where the government wished to continue in effect some of the regulations that had been passed under those emergency powers. I have in mind what happened in 1946 or 1947 when the Continuation of Transitional Measures Act, or whatever that long name was, was expiring and the government was not yet ready to get along without all the regulations that had been passed under that act. I believe, if my memory serves me right, there were 57 of them which the government wished to continue in the "Heinz 57 varieties" bill.

But in that instance, even though there were some of those 57 regulations which members of the house objected to, at least what the government did was to bring in a bill continuing in effect those specific regulations, further providing in that legislation that none of those regulations could be altered. It was provided that the government by order in council could repeal any of them, but any regulations that were repealed could not be reinstated by the government afterwards. Whether we liked what was in those 57 regulations or not, at least we knew what we were talking about.

I submit, even though we might have disagreed with some of the sections of the regulations which the government might have asked us to vote on, it would have been better in this case to bring this matter before us, certainly not in the Navigable Waters Protection Act but in a bill properly named, and that it might have been brought before us in that form so that we would know exactly what we were voting on, rather than be asked to grant these wide powers without any restrictive definition as to what the government can do. We feel very strongly that the government's proposal in connection with this matter should be reconsidered even at this late date.

**Mr. Garson:** My hon. friends of the opposition who have just spoken, the Leader of the Opposition and the hon. member for Winnipeg North Centre, seem to be under the impression that we have created now or are attempting to create in the present bill a sort of supplementary Criminal Code with some new crimes and severe fines and penalties that have not heretofore existed.

As my hon. friend said, the Minister of Labour has stated that an order in council has been passed which we propose to continue. That order in council is not in any sense secret. It was tabled back in 1951. It has been a matter of public record ever since. It might be pointed out in reply to the point which the Leader of the Opposition made, that he wanted a law which was open to the public and offences under which would come before the courts and before a jury of the accused's peers, so that the person accused would have a fair trial and the like—in reply to this argument it might be relevant to point out that in any prosecutions under this order in council the prosecutor would have to invoke it. The order in council would have to be produced in court, would have to be proven, and then the crown would have to prove that an offence took place under it; and the only reason why there could not be a trial by a jury of the accused's peers is that the only offence provided for under the order in council is an offence punishable upon summary conviction by a fine or by a maximum imprisonment of three months. Therefore, the only reason why a man could not get a jury trial is not because the order in council was secret or a prosecution under it did not come before the court, but because the penalty is so small that it would be punishable on summary conviction and would not therefore get before a jury.

I would like to point out in addition to that that the order in council does not define any new series of crime. All that it provides is that it is an offence under the order in council to knowingly furnish false information, or to contravene or fail to comply with any provisions of the regulations. In other words, the only offences created by the order in council are those offences which it is necessary to create in order to carry out the administration of the order in council.

**Mr. Knowles:** But we are not voting on that order in council.

**Mr. Garson:** I will deal with that point in a moment if my hon. friend will give me time. Under the order in council we are not creating any new series of serious offences such as sabotage nor are we dealing with the prosecution or penalty for sabotage. Such provisions, as the hon. members of the opposition have correctly pointed out, will remain in the Criminal Code. But the purpose of this bill and of any order in council passed under it is not to set up a

its purpose at all. The purpose of this legislation is to try to prevent the commission of crimes rather than to prosecute and imprison people for committing them.

I do not claim to be an authority on Canadian shipping or commerce; but with all due respect to the Leader of the Opposition I would certainly put my opinion on at least a parity with his on these subjects. The Leader of the Opposition asked a series of rhetorical questions as to whether the blowing up of the Welland canal or the Sault Ste. Marie canal would constitute a greater offence than the blowing up of a ship in Hudson bay. I should say the first offence would inflict incalculably greater damage to Canada than the latter. He then asked would it not be a greater offence to blow up a ship travelling between Vancouver and Victoria, and he listed a number of other coastwise examples dealing with the trade in bauxite coming into lake St. John through the lower St. Lawrence river.

But surely the whole point of this matter is that we have in Canada, whether the Leader of the Opposition is aware of it or not, a great lakes canal system through which an enormous amount of shipping passes. I believe there is no greater canal traffic in the world, and if I am not mistaken the next two greatest canals in the world do not together carry a greater volume of traffic. The answer therefore to all these rhetorical questions posed by the Leader of the Opposition is "Yes, it certainly would constitute very much greater damage to the economic life of Canada to have sabotage committed on the great lakes canal system covered by this bill than to have it occur elsewhere in Canada". That is the whole point. I am glad my hon. friend asked that long series of rhetorical questions in order that that point may be cleared up.

**Mr. Drew:** How do you keep out the foreign ships?

**Mr. Garson:** With regard to the foreign ships, as I said before I do not pretend to be an expert on this matter, but I think perhaps upon reflection my hon. friend will agree that one of the purposes for constructing the seaway we have been discussing at such great length is to make it possible to get a larger number of foreign cargo ships up into the great lakes; for most of the seafaring ships that come up the St. Lawrence river are of too deep a draught to travel up the seaway from tidewater to the lower end of lake Ontario. I will grant that there are some foreign ships which come up, but when my hon. friend is discussing a matter of this kind he should attempt to discuss it in proportion, and I do not think there is a single instance my hon. friend gave in all his rhetorical questions where the damage from sabotage would be anywhere near comparable to that which could occur in the canals of the great lakes system.

The hon. member for Nanaimo said that this idea is fatuous. I must say in all candour that I do not pretend to be any greater an authority upon this particular subject than the Leader of the Opposition or even the hon. member for Nanaimo. Perhaps the latter is a better authority on sabotage than I am; I do not know; but I would submit that those people whose opinions carry some weight in this matter do not agree with the views of the hon. member for Nanaimo, and I will leave it at that.

But I think if we reflect upon this matter at all we must realize that if we had an aerial invasion of Canada—and I ask this question of the Leader of the Opposition—would not the Welland canal be one of the main objectives of that aerial invasion? There is no part of the economic traffic of Canada the dislocation of which would cause greater harm to our economic life than the putting out of operation of the great lakes system. That is the point of this piece of legislation.

What we have done is not to create a supplementary Criminal Code but merely to provide an administrative method of trying to prevent what is in our power to prevent. In this connection I never said anything about dangerous men in the way in which the Leader of the Opposition has attributed that phrase to me. All I said was that those who, upon reasonable grounds, are suspected of being potential saboteurs, and there are not very many of them, should be covered under the provisions of this bill.

Surely when we have passed an order in council, have tabled it in the house, where it has been ever since, and when we now propose to renew it under the terms of this present legislation, then no matter how prejudiced the hon. members of the opposition may be, they should at least take our word for it as to what we intend to do under the legislation which is now before the house.

The hon. member for Winnipeg North Centre has pointed out that there is nothing defined here and that he does not know what we are going to do under this general power but pass an order in council. That is quite true. But what we are saying to my hon. friend now is that the proposal is to renew the present order in council for the purpose which it has served in the past few years.

**Mr. Knowles:** Would the minister permit a question on that point?

**Mr. Garson:** Yes, certainly.

**Mr. Knowles:** He has indicated what is the government's intention, but is it not true that the wording of clause 34 would permit the government to go further and bring in another set of regulations on this subject?

**Mr. Garson:** Yes, that is right.

**Mr. Knowles:** It might be a convenience later on.

**Mr. Garson:** Well, suppose we did that, how would parliament stand in relation to that action? My hon. friend will recall that we have on our law books now the provision that orders in council must be put on the table within a certain period of time, unless we pass a secret order in council and in that event we would have to pass a second order in council making the first order in council secret, and we must table that second order in council. Therefore, my friend would know about the existence of the order in council which was secret; and if there is any substantial variation all that the opposition have to do to protect the interests of their constituents is to be sufficiently diligent to pick up the order in council, peruse it, and then if they think there is anything wrong with it there is nothing in the rules of parliament to prevent them raising that question at the next available opportunity.

**Mr. Diefenbaker:** And then what?

**Mr. Garson:** My hon. friends laugh about that, but they can raise this question and by so doing they can inform public opinion upon it. If they cannot get a resolution of condemnation through parliament that is not because of the fact that they have no opportunity of doing so. That is by reason of the fact that the people of Canada at the last general election did not have sufficient confidence in them to give them a majority in this house.

In view of these facts, Mr. Chairman, it seems to me that there is no justification for all this facade of argument about parliament being by-passed and the members being given no opportunity of examining the government's position or of criticizing it or for the contention that we are creating in secret a number of a great new series of terrible offences that cannot be tried before the courts. In this regard what is my friend the Leader of the Opposition talking about? How does he suppose a conviction can be obtained in the courts unless the crown prosecutes in the court? That is the only place in which a conviction under this order in council could be obtained. May I also say, Mr. Chairman, that I am happy to report that up until the present time there has never been any necessity for having any prosecution at all under this order in council.

**Mr. Diefenbaker:** Mr. Chairman, the latter part of my hon. friend's discussion on the course that should be followed by parliament, namely that of bringing the question before the house and asking for an adverse vote of the house, was too much even for him because he himself answered it by saying that there would be no hope of getting any change by following that course.

I just rise for the purpose of securing a little bit of information. I should like to find out from the Minister of Labour what are the indicia that determine the propensity of these individuals who are to be considered capable of committing crimes as yet uncommitted? Upon what basis does the minister operate in determining the intended commission of crime or the potential commission of wrongdoing or the propensity to do so? I should like him to deal with that point. If he would clarify that matter, I think most of our difficulties would be removed.

In the second place I should like to ask him this question. There are some 30—I believe that is the number he mentioned—who have been found to possess that propensity. They have not committed any offence. However, it is in order to anticipate and to guard against the possibility of the commission of an offence that they have been denied certificates. Their fingerprints are taken. They are found—first by the investigators and then confirmed by the minister—to be dangerous people. Would such people be allowed to leave the great lakes and to secure employment on ships operating between, say, Newfoundland and Halifax or between Victoria and Vancouver? Or is it considered that the propensity to commit wrong is purely circumscribed territorially? I should like to have the Minister of Labour explain that situation because if he were able to do so, I think he would clarify the whole situation.

**Mr. Gregg:** Mr. Chairman, in reply to the second question, I should like to refer to what is evident here, namely, that on any point affecting the applicants' legal status afterwards or spheres of possible sabotage I am certainly not in a position to answer because on behalf of the government I have just been acting under these particular regulations.

As to the first question asked, namely, what were the factors which caused the Minister of Labour to refuse to issue a permanent seaman's card—I think that was the question—the factors which entered into that decision

have been somewhat the same, or in the same category, as would be the factors involved if my hon. friend were choosing a law partner. It would be a matter of consideration of that applicant's background, his behaviour under other conditions and all that goes with it. However, in my case I would probably have available more skilled sources of information than usually come to one, namely, the resources of the Royal Canadian Mounted Police and of the Department of Justice. So therefore in answer to his question as to the factors affecting the matter of the decision with respect to either refusing or agreeing to provide a card, these are to be found in the record of the applicant's background, as ascertained from the R.C.M.P. and from any other reliable source.

As to the other part of his question, in administering these regulations I have no jurisdiction over the matter after the applicant's refusal of a card for employment on the great lakes has been delivered to him.

**Mr. MacInnis:** Mr. Chairman, this is the most amazing discussion that I can remember in connection with a bill in the House of Commons. When the Minister of Labour spoke on second reading of the bill, he dealt with the matter of screening, the number of applications received and the number which were rejected. Then when the Minister of Justice spoke on second reading of the bill, he too made quite a point of the fact that the intention of the government was to prevent sabotage by screening. But in the bill before us there is not a word about screening. What we are asked to do in this bill before us is to approve penalties for infractions or crimes but we do not know what those crimes are going to be. The minister shakes his head. I am afraid there is a whole lot more in the section than there is in his head, Mr. Chairman. Let me read it to him. The section reads as follows:

> The governor is council may make such regulations as he considers necessary or desirable in the interests of the safety or security of Canada respecting the employment of seamen on board Canadian ships in the great lakes, and may prescribe the penalties to be imposed on summary conviction for violation of any regulation made under this section,—

The section says "any regulation made under this section"; the thing is wide open. It continues:

> —but such penalties shall not exceed a fine of five hundred dollars or imprisonment for a term of three months or both fine and imprisonment.

That is what the House of Commons is asked to pass. That is what the members of this committee are voting on. Regardless of what sophistry the Minister of Justice may use in explaining the bill, he cannot explain away that fact.

He says that their purpose is to prevent crime or to prevent sabotage. But does my hon. friend say that he prevents sabotage by the mere screening of the employee who may operate on board these ships? Is it not quite possible and quite feasible for a bomb to be put on a ship going through one of the locks in the Welland canal or in any other canal, and for it to be put there by someone other than an employee who has gone through government screening? I am quite in favour of making sure, as far as we possibly can do so, that the persons who operate these ships are persons on whose loyalty we can depend. But that is not what is provided in this bill. What is provided in this bill is the imposition of penalties for violations of regulations which we do not know anything about.

If the regulations are contained in order in council P.C. 2306 of May 2, 1952, why was that order in council not made a part of the explanatory notes? In any case, we should have been given a copy of it when considering this measure. Then we would know something about it. I am afraid that other regulations may be made. At this time we know what the government really wants to do by this bill, and if they want to do what they say they want to do they had better add another section because what they want to do is certainly not contained in the bill at the present time.

**Mr. Garson:** I am sending over a copy of the order in council to my hon. friend.

**Mr. Fulton:** The Minister of Justice has repeated again the statement he made before, and of course his repetition does not make it any more accurate the second time than the first. He has said that order in council P.C. 2306 does not create any new offences which would, as it were, be in the nature of enacting a new Criminal Code. I cannot understand why the minister fails to comprehend that that is exactly what it does.

**Mr. Garson:** On a question of privilege, my hon. friend did not understand me correctly. I said that it created no new offences other than some few summary conviction offences for the purpose of administering the order in council.

**Mr. Fulton:** I think I shall be able to establish that it does create a new offence, that it inflicts upon the person found guilty by the Minister of Labour of having committed that offence a most severe penalty,

and that the offence is not provided for anywhere else under our law. I think I am stating it correctly when I say that the purpose has been described by both ministers as the refusal or withdrawal of a seaman's card on the grounds of anticipated sabotage. Is that a fair summary of what the ministers have said?

**Mr. Garson:** No, that is not an offence.

**Mr. Fulton:** I see the Minister of Labour is nodding his head signifying assent. Very well. The withholding or withdrawing of a seaman's card on the grounds of anticipated sabotage is done because it is suspected that the man, on account of his past associations or something they think about him, is likely to commit sabotage. That is why the card is withheld or withdrawn, and the withdrawing or withholding has the effect of depriving that man of the right to work at his calling, does it not?

**Mr. Garson:** I think it deprives him of the right to work at his calling in that particular area. I think it is not an offence any more than it would be an offence of my hon. friend from Kamloops if a club refused his application for admission.

**Mr. Drew:** He could go to another club.

**Mr. Fulton:** In either case the man has been a seaman on the great lakes, and he is not working for the government. It is not the steamship company which gives or withholds the card. Do not let the minister try to becloud the issue by pretending that it is the steamship company which refuses him employment. It is the government which refuses him employment, and he suffers that penalty because the Minister of Labour thinks that the man may commit sabotage. That is imposing a penalty. It cannot be described in any other words. Therefore it is creating a new offence and the offence is that of being a man about whom it is anticipated he may commit sabotage.

That offence is not covered under any other law of this country and certainly should not be covered, not in those terms at any rate. The point we have made throughout is that if the government is going to say that it is justified in imposing penalties on these men because of their actions, associations or whatever it may be then they should have the courage to come and ask parliament to enact such a law. I doubt whether parliament would do so in these terms.

It is for that reason that we object to giving the governor in council the right to do behind closed doors what we strongly suspect parliament would not do if it were asked to enact it in legislation. Therefore the government, under the regulations they have already made, have created a new offence, the offence of being suspected to be likely to commit sabotage, and they have imposed the penalty of loss of job by withholding the card. If the Minister of Labour, who administers it, can put any other construction on it, I would be glad to hear him attempt to do so.

**The Deputy Chairman:** Shall we proceed to the consideration of clause 2, section 35?

**Mr. Green:** May I ask the Minister of Labour one or two questions about this measure? I was unable to be here this morning because of the meeting of the veterans affairs committee but I have read a transcript of the remarks that were made. I understood the Minister of Labour to say that these regulations were first enacted as a result of the fighting in Korea. Is that correct, that the reason the government saw fit to bring in these regulations was on account of the fighting in Korea?

**Mr. Gregg:** In general terms that is the case. I think I stated that as we would all remember, in 1950 we were in a period of emergency or threatened emergency. It was because of that emergency that discussions were entered into between the governments of Canada and the United States with regard to shipping on the great lakes. It was as a result of those discussions that the Canadian government decided to take the step of co-operating with the United States in this regard.

**Mr. Green:** The same reason was given to us for retaining the Emergency Powers Act, namely, the fighting in Korea. Yet this year the government, after a great deal of pressure had been brought to bear on it in the house and throughout the country, saw fit to allow the Emergency Powers Act to lapse. That was the act under which these regulations were passed. If the emergency has lessened to the extent that the Emergency Powers Act can safely be allowed to expire, how does the Minister of Labour justify retaining these regulations which were passed under the Emergency Powers Act?

**Mr. Gregg:** Mr. Chairman, the government did hope that it might be able to take the step suggested by my hon. friend, namely, that these regulations could follow the course of the Emergency Powers Act and disappear. But during the last several months the matter has been under careful consideration, and in view of all the factors, which affect other departments as well as my own, it was decided to take the step which is outlined here.

**Mr. Green:** Then we have now reached the position where these emergency powers are being put into effect for less reason than they were put into effect originally. The original reason was because of Korea. The Korean situation is obviously no longer such a threat as to require emergency measures. Yet now, as the Minister of Labour says, the country is to be subjected to these emergency measures. Am I correct in saying that that obviously can only be because the government is now seeking to use these emergency measures for less reason than it used them before?

**Mr. Gregg:** To the degree that the general emergency is less now than it was in 1950, what my hon. friend says is true. I do not think that any of us will say that the general emergency today is as tense as it was in the summer and fall of 1950.

**Mr. Rowe:** Is it worse than it was last year?

**Mr. Gregg:** But nevertheless it is the feeling of the government that it is of sufficient importance to ask parliament to continue this procedure which has been in effect since then.

**Mr. Green:** Is the real story not this, that the United States has insisted on Canada continuing these regulations, and that is why Canadian seamen are to be made subject to this measure for three years? Could I have an answer to that question?

**Mr. Gregg:** The Minister of Labour cannot answer that question. This has been developed as a matter of government policy. All the factors affecting the situation have been taken into consideration. Some of them have to do of course with external affairs, others with justice and labour, but the Minister of Labour is not in a position to answer that question.

**Mr. Green:** I understand the Minister of Justice has given the purpose as the protection of the canals and locks. Could we be told what protection the government supplies on these locks at the present time?

**Mr. Garson:** You mean other than by this present method? You mean by way of guards and that sort of thing?

**Mr. Green:** Yes.

**Mr. Garson:** I am afraid I would not have that information available in the Department of Justice. I could get it, no doubt.

**Mr. Green:** The parliamentary assistant to the Minister of Transport is here and these canals come under the Department of Transport. He should be able to tell us what protective measures are taken to guard these locks.

**Mr. Garson:** I have no doubt we could get the information.

**Mr. Langlois (Gaspe):** We have no special constable force guarding these locks in the canals. We have our normal force of employees looking after the operations of these locks, who are constantly on duty night and day. They are in a position to report to the nearest R.C.M.P. force or to any other law enforcement agency in the district if they fear there is any threat to these canals or locks.

**Mr. Knowles:** But they may be 25 miles away.

**Mr. Green:** The canal service is being carried on in the ordinary peacetime way, that is what I am to take from the answer by the parliamentary assistant?

**Mr. Langlois (Gaspe):** That is right.

**Mr. Green:** Then we are in this position, that no precautions whatever, other than what perhaps were taken in 1938, are being taken to guard these locks or the canals from sabotage. Yet the government is asking this emergency power to prevent Canadians serving on Canadian ships in the great lakes in order that the canals can be protected. Now, does that not show on the face of it the foolishness of asking for a drastic power of this kind to prevent seamen from earning their living? The Minister of Labour has admitted that out of about 30,000 who have been screened only 20 have been rejected. Subsequently one of those 20 was found to be all right, and three have not had their appeals heard yet. We get down to the fact that at the most 19 men out of 30,000 have been stopped from working on ships in the great lakes by the use of this police state power. At the same time not one step has been taken towards protecting the canals and locks which are stated to be the reason for requesting this drastic power. It simply does not add up. I should like the parliamentary assistant to tell me how many foreign vessels came into the great lakes last year?

**Mr. Langlois (Gaspe):** I am sorry, but I have not that information on hand presently. I could supply it to the hon. member later.

**Mr. Green:** I have a Department of Transport report for the fiscal year ending March 31, 1953; that is over a year ago. At page 33 it shows that foreign vessels made 145 inbound trips into the great lakes, and that was up from about 100 trips the year before.

I presume it will have been much higher last year. Then when the St. Lawrence seaway is opened up there will be hundreds more foreign ships coming into the great lakes. Am I correct in my understanding that these restrictions do not apply to foreign ships? In other words, a Russian ship could come up into the great lakes loaded with atom bombs, and it would not be affected in any way by these regulations.

**Mr. Langlois (Gaspe):** If the hon. member would look at the definition of "Canadian ship" in section 33 he would see that it reads as follows:

"Canadian ship" means a ship registered in Canada, and includes a ship owned, or operated under charter or lease, by a person who resides in Canada.

A foreign ship that is either under charter or a lease by a Canadian will be covered by these regulations.

**Mr. Green:** Oh yes, but there are not very many foreign ships that are leased by Canadians. Most of these ships to which reference is made in the Department of Transport report are foreign registered vessels. Most of these foreign ships that come into the great lakes are owned abroad. Is it a fact that they are not covered by these regulations?

**Mr. Langlois (Gaspe):** Some of them could be leased or under charter to Canadians, and then they would be affected by this bill.

**Mr. Green:** Is it a fact that these regulations will not apply to these foreign vessels unless they happen to be owned by Canadians or leased by Canadians?

**Mr. Harris:** If I may say a few words here, I think my hon. friend is making a distinction between cargo and personnel. Do I understand him to recommend that we establish a post at the outermost part of the St. Lawrence where every ship of foreign registration will be searched for the purpose of determining whether or not they have anything in the nature of materials for sabotage?

**Mr. Green:** Oh, no—

**Mr. Harris:** The hon. member was asking the ministry if there was any way of stopping that. My hon. friend knows quite well that there is not, but we are discussing personnel here and under my immigration regulations we deal with personnel on foreign ships.

**Mr. Green:** There is quite a difference between asking a question and advocating something. I was not advocating setting up such a control, I am merely trying to find out whether these regulations will apply to foreign vessels. I understand they do not.



**Mr. Langlois (Gaspe):** If the ship is under charter or lease to a Canadian, they do apply.

**Mr. Green:** Is the Minister of Citizenship and Immigration going to answer?

**Mr. Harris:** Yes, I will answer about personnel. I hope my hon. friend will not ask these rhetorical questions about materials for sabotage when, in fact, we are talking about personnel. Under the immigration regulations I deal with personnel on board foreign ships, and you may rest assured I will continue to do so.

**Mr. Green:** Does the minister screen the seamen on foreign ships before those ships can go into the great lakes?

**Mr. Harris:** I do not think my hon. friend would want me to outline the steps we take. I will be glad to disclose them to him if he desires, but I would just as soon we did not disclose the whole method here.

**Mr. Green:** Has the minister prevented any foreign vessels from going into the great lakes?

**Mr. Harris:** We do not prevent vessels going in, we prevent personnel; that is the point I am trying to make.

**Mr. Cameron (Nanaimo):** I wonder whether the parliamentary assistant to the Minister of Transport could tell us if all the passengers going through the Welland canal are screened?

**Mr. Langlois (Gaspe):** In answer to this question I would refer the hon. member to the definition of "seaman". For the purpose of these regulations a seaman means a person employed in any capacity on board a ship, and includes the master of a ship. Any person falling within that definition could be screened.

**Mr. Cameron (Nanaimo):** But anyone else on the ship would not be screened. You have no means of controlling the movement of anyone else on the ship, if it is a passenger vessel?

**Mr. Langlois (Gaspe):** Not under this bill.

**Mr. Cameron (Nanaimo):** Have you under any other law or any other regulation?

**Mr. Langlois (Gaspe):** I do not think so.

**Mr. Cameron (Nanaimo):** In other words, as I said earlier, this is just a piece of nonsense.

**Mr. Langlois (Gaspe):** My last answer was qualified by what was said by the Minister of Citizenship and Immigration.

**Mr. Knowles:** Then it is qualified nonsense.

**Mr. Cameron (Nanaimo):** I gather that the only regulations referred to in section 34 are regulations governing the movement of these ships. That is to say, the only regulations contemplated in the government's mind are regulations governing the employment on those ships travelling on the great lakes; is that correct?

**Mr. Garson:** It would be better to say that they are regulations dealing with seamen who are employed on the ships. To my hon. friend that might appear to be a distinction without a difference; but I assure him there is a difference. It relates to seamen who are seeking employment on ships. Only a very small percentage of those seamen have had employment withheld from them in the past; less than two dozen out of 30,000.

**Mr. Cameron (Nanaimo):** As the minister says, it is a distinction without a difference. I gather that the only way an individual can contravene the regulations referred to in section 34 is by obtaining employment without having been screened under the terms of that order in council; is that correct?

**Mr. Garson:** I do not think that is correct. I think that is one way, and perhaps the most common way, but it is not the only way.

**Mr. Cameron (Nanaimo):** Would the minister agree that the only other way an individual can contravene would be by employing a person who had not been screened?

**Mr. Garson:** No, there are others. If my hon. friend would go through the order in council he would find that there are other acts required, both of the employer and the employee. I realize he may not have a copy of the order in council before him. I would point out that it is the failure to perform the acts the order in council requires which constitutes the offence. For example, there is the offence of giving false information in relation to employment.

**Mr. Cameron (Nanaimo):** That, again, relates to the question of getting a job as a seaman.

**Mr. Garson:** What my hon. friend seems to be driving at is that the most likely and the most common offence under the act would be that of seeking to obtain employment without having obtained a card under the act.

**Mr. Cameron (Nanaimo):** With all due gratitude to the minister for describing the point I am making, may I say my point is this: I can see no reason why there cannot be stated clearly in the bill exactly what are the regulations covering employment on ships on the great lakes. Why should it not be possible to spell out clearly and plainly that which would be in contravention of this particular legislation, if a person seeking employment as a seaman on the great lakes fails to comply with the necessary regulations? They could be set out clearly as the regulations with which he must comply. As the Minister of Labour has pointed out, he must make application. On the other hand it places a similar responsibility upon employers, a responsibility not to hire anyone who cannot produce proof that he has complied with these regulations. It seems to me if that were spelled out clearly there would be no objection from this side of the house at all. But as was pointed out earlier by my hon. friend from Vancouver-Kingsway, the minister could take from now till doomsday, but he could not get around the fact that the section, as it is designated before us, leaves it wide open for the government to bring in any sort of regulation it likes governing this particular group of citizens.

**Mr. Garson:** I would be the first to admit that there is a good deal in what my hon. friend says; but I thought I had covered that point in my previous statement, to the effect that we have stated that the order in council, which was passed under the previous legislative authority, has been tabled in the house, and is quite accessible to my hon. friend himself, if he wishes to look at it.

It is the government's intention to renew that existing order in council under the legislative authority now being sought. Perhaps we should have had a greater number of copies of the order in council so that we might have distributed them. But let there be no misunderstanding about it, what we have in mind is simply to carry on with the existing order in council which, as my hon. friend can see from the figures supplied, seems to have worked satisfactorily; so much so, in fact, that it has not been necessary to lay a single charge under the order in council during the whole period of its administration. No one has been convicted under it; there have been no charges under it.

**Mr. Cameron (Nanaimo):** I do not know whether that is a recommendation for it, or not.

**Mr. Garson:** Well it certainly shows that there have been no difficulties in its administration. It is a purely administrative order in council designed for the purpose of making sure that those seamen who travel on the great lakes ships shall be properly screened for the protection of our waterways which are so vital to our commerce.

**Mr. Diefenbaker:** I asked the Minister of Labour a while ago for the basis upon which he acted. He is in the position of an appeal court judge, in respect of any order made

by a committee set up by himself. He determines whether or not the application for review shall be heard. May I ask him this one simple question: Of the 29 persons who were denied these cards, how many were communists?

**Mr. Gregg:** I am quite unable to say, as my hon. friend knows. It was not the intention of the regulations that the Minister of Labour or anyone else should be able to say how many were communists. Then, I was not quite clear as to that part of my hon. friend's question in which he referred to an appeal court judge. If he would repeat it I would be happy to answer it. My hon. friend referred to a review, but I was not quite clear about his question.

**Mr. Diefenbaker:** Let me put it this way: If a seaman is found to be a member of a communist organization, does that deny him the right to secure the necessary card under this legislation?

**Mr. Gregg:** What was the provision the hon. member mentioned?

**Mr. Fulton:** If a seaman is found to be a member of a communist organization.

**Mr. Gregg:** Well, the factors upon which the minister bases his decision are factors affecting the applicant, made to him mainly by the R.C.M.P. Out of that information—

**Mr. Diefenbaker:** What are those factors?

**Mr. Gregg:** My hon. friend knows that I cannot publish that.

**Mr. Fulton:** Why not?

**Mr. Diefenbaker:** That is exactly the point. We are trying to prevent sabotage. Surely we do not have to sabotage parliament in order to do it; and that is what order-in-council government does. I asked the minister this question: Is it not a fact that anyone who has a card showing his membership in a communist organization automatically is denied a card, under this legislation?

**Mr. Howe (Port Arthur):** Should he be?

**Mr. Diefenbaker:** You are the government; I am asking if that is so.

**Mr. Gregg:** The terms of reference of the Minister of Labour in this regard were clearly set out under the Emergency Powers Act, which states:

> Where, after the issue of a seaman's card to a person, the minister is satisfied that the presence of that person on board a Canadian ship in the great lakes might prejudice the security of Canada,—

In case the judgment of the Minister of Labour on that matter, after getting all the information that was available to him, might be improved by review, the regulations provide for the setting up of an advisory body, not to decide what to do but to advise the Minister of Labour whether his decision appeared to be right or wrong in view of all the facts laid before him.

**Mr. Diefenbaker:** It is so difficult to get a simple answer to this. I want to ask the minister a simple question to which he can answer yes or no. Is a communist, or a member of a communist organization, who is on board a Canadian ship on the great lakes, deemed to be such a person as would prejudice the security of Canada and therefore not be entitled to a card? There should be no difficulty about that?

**Mr. Gregg:** As my hon. friend knows, his question comes within the realm of the Minister of Justice. The Minister of Justice has to do with supervision of the Royal Canadian Mounted Police and the amount of secrecy under which they should operate. In attempting to administer these regulations I cannot try to set out before this committee all the detailed factors that may come into the reaching of the reluctant decisions that the Minister of Labour had to reach in sending out refusal letters to these very few applicants for jobs on the great lakes. I can assure my hon. friend that those letters of refusal were not sent out without ample proof that they should be sent out.

**Mr. Barnett:** I should like to return to the point raised by the Minister of Justice when replying a short time ago to the hon. member for Nanaimo. It seemed to me that we were getting close to the point where the main objection, at least in this corner of the house, to the proposal which the government is putting forward here was being discussed. If I might be permitted to put it this way, it appears to me that the government is allowing its expectation of immortality to obscure its judgment. I am quite prepared to accept at its face value the statement of the Minister of Justice and of the Minister of Labour that the intent of the government is to implement regulations in line with the previous order in council which they have told us about in some detail. I think that even they would be the first to admit that they are not necessarily the people who are going to be always the minister of justice and the minister of labour in this country.

Some of us feel that in this kind of legislation lies the thin edge of the wedge which we do not want to see expand. We, as was indicated by one of the other speakers, see in this matter some manifestations of the prejudice which we see in other countries, which we do not like. We do not want to

see that attitude and that prejudice brought into Canada. I would even go so far as to say that listening to the Leader of the Opposition not so long ago I detected in some of the remarks he made about his suggestion of extending this sort of thing by one means or another an indication that there is a segment of opinion in this country in whose hands this legislation could prove very dangerous. That is the reason that some of us are concerned when legislation of this kind, which gives sweeping powers to the governor in council over the lives and the opportunities for employment of working people, is brought in.

It can be admitted there has been very little criticism in this debate of the actual manner in which the terms of the previous order in council have been carried out in so far as its administration is concerned. But nevertheless I still feel that on the one hand an important case can be made for the point that the amount of protection to be achieved does not warrant the infringement upon some of our basic concepts of freedom that it involves.

Suppose one were to admit that that is not altogether true in the present circumstances. I still feel that we have been right in saying that if we are going to have this sort of thing, it can be set forth in the more ordinary manner by legislation than as is being done at the present time.

I raised the question as to whether some minor amendments to some of the provisions of the Canada Shipping Act, which is on our statute books at the present time, could not be used quite effectively to serve the purpose which the government apparently has in mind here. None of the government speakers has made any mention of that point. I read some of the sections which certainly are related to this general subject, which indicated that under that act there was provision for checking on the character and so forth of seamen. It seems to me that if it is necessary to have this sort of protection it could have been incorporated in more ordinary forms of legislation than is proposed here by the government.

**Mr. Leboe:** There has been a lot of debate on this problem, and I was wondering whether it was not possible for the government to meet the objections of the opposition and still accomplish what the government has in mind. It could be done. I should like to hear from the minister whether it is possible or not.

**Mr. Garson:** I do not know how much farther we can go to meet them than by saying, as I have said two or three times already, that we have no plans for the use of this legislation other than to maintain the present order in council which is on record, and has been on record since 1951 for any hon. member to see. It spells out all of these things which need doing, and which is just as definite as any statute could be.

It is true, as some of the hon. members of the opposition have said, that we would have power to amend that order in council in some respect if amendments were necessary; but I think I am right in saying—my colleague, the Minister of Labour, will correct me if I am wrong—that the order in council has been in its present state since it was first passed. Is that not right?

**Mr. Gregg:** There was a consolidation; there was a minor amendment after it was first passed.

**Mr. Garson:** My colleague tells me that after the original order in council was passed there was a minor amendment, and it has remained in its present form since. It has proved to be very satisfactory and effective. We are saying to parliament that this is what we are going to enact in this legislation when it is granted.

**Mr. Knowles:** And nothing more?

**Mr. Garson:** Yes, and nothing more, because it has proved to be adequate. I suppose if our powers of prophecy are not as great as we think they are and we do need to have something more, we would be under obligation to acquaint parliament of this fact, but I must say at the present time we see no reason to do other than to continue in effect the order in council which has been serving us during the past number of years, and of course, under this present legislation, we will have power to do that only for a limited period.

**Mr. Knowles:** May I ask one other question? What is the status of this order in council at the present moment?

**Mr. Garson:** It has lapsed. We require this legislation to restore it.

**Mr. Knowles:** Then that order in council dated May 31 does not exist at the present time?

**Mr. Garson:** That is correct.

**Mr. Knowles:** R.I.P.

**Mr. Pallett:** Mr. Chairman, I would like to ask one further question of the Minister of Labour with reference to the seamen's cards issued under the previous order in council. Are there any communists holding these cards?

**Mr. Gregg:** Mr. Chairman, I could not say but I am quite sure the answer is no. In accordance with the provision laid down in the regulations there is no attempt on the part of the Minister of Labour to identify the applicant as a communist or non-communist.

**Mr. Knowles:** In view of the fact that the order in council is now dead what is the status of the seamen's cards that were issued when the order in council was in effect?

**Mr. Gregg:** These cards are in the hands of the seamen and the employers association and the labour organizations have been made aware of the fact the Emergency Powers Act would lapse before new regulations would be authorized, but I am convinced the program is going forward in good faith during this period of hiatus as though the order in council had been in effect.

**Mr. Knowles:** Will these cards have to be reissued?

**Mr. Gregg:** No, the cards which are in the hands of the seamen will all be honoured when this comes into effect.

**The Deputy Chairman:** Shall we proceed with consideration of section 35?

**Mr. Fulton:** Mr. Chairman, I am not quite sure whether the minister has done so but I would be glad if he would tell us the names of those on his advisory committee.

**Mr. Garson:** Yes, but perhaps I had better read the section in the order in council which covers it. It reads on page 3 as follows:

12. A person whose application for a seaman's card has been refused or who has been required to deliver his seaman's card pursuant to section eleven may by application in writing to the minister request that the refusal or requirement be reviewed by an advisory committee.

13. (1) The minister shall appoint committees of not less than three members, herein referred to as "advisory committee", to advise him with respect to reviews requested under section twelve.

(2) An advisory committee shall inquire into and investigate whether the presence of the person who has requested the review on board a Canadian ship in the great lakes might prejudice the security of Canada, and shall report its views with respect thereto to the minister.

(3) An advisory committee shall, subject to the direction of the minister, furnish to the person who has requested the review such information made available to it as in the opinion of the committee it is possible to furnish to him without prejudice to the security of Canada and the public interest, and shall afford to that person an opportunity to make representations to it either personally or with the assistance of counsel or other representative.

(4) The chairman, or any member of an advisory committee, may administer oaths for the purposes of this section, and an advisory committee may receive and accept such evidence on oath or by affidavit or otherwise as in its discretion it considers fit and proper.

I can read the remaining subsections, but that will give my hon. friend some idea of the procedure.

**The Deputy Chairman:** Is there any further discussion on section 34?

**Mr. Fulton:** Mr. Chairman, I thought it was agreed we would consider them one by one and perhaps call section 34 first.

**The Deputy Chairman:** Yes, is there any further discussion on section 34?

**Mr. Fulton:** Mr. Chairman, could you put the question on section 34?

**The Deputy Chairman:** I am of the opinion that I am not able to put the question on section 34 because the clause in the bill is clause 2 which contains three new sections which it is proposed to add to the act. I believe I must eventually put the question to this committee on clause 2 of the bill as a whole.

**Mr. Fulton:** Well, Mr. Chairman, I do not think it matters except that we would have preferred to be able to vote against section 34 since section 34 contains the meat of the whole matter, and our attitude to this bill will be determined when that question is put.

**The Deputy Chairman:** Is there any discussion on section 35?

**Mr. Fulton:** Mr. Chairman, for reasons I do not think it necessary to rehearse it is obvious it would be very much more preferable in our view if this new provision was continued in force for only one year. In fact, it would be preferable from our point of view if it did not come into effect at all. But I am anticipating that, as usual, we will win the debate and lose the vote, and I take it the clause will probably carry and come into effect.

But may I point out that the previous order in council was effective only as long as the Emergency Powers Act was effective and that act was in effect only from year to year and required positive action by parliament to renew it. But now, under section 35 which reads:

This part shall continue in force for a period of three years from the day on which it came into force, and no longer—

—this regulation would be given the force of law for three years and parliament would not be entitled to review the situation during that time. I therefore move:

That the proposed new section 35 be amended by deleting the words "three years" where they occur in lines 31 and 32 and substituted therefor the words "one year".

I hope the government will accept that amendment because they had only one year

assured from time to time under the regulations as they existed. We have stated that we object to this principle being written into our law, and since the government is prepared to review the matter at the end of three years, and since we all hope that the circumstances which they feel justify the enactment in the first place may not continue forever, I would hope they would accept the amendment limiting its operation to one year.

Amendment (Mr. Fulton) negatived: Yeas, 37; nays, 51.

**The Deputy Chairman:** I declare the amendment lost. Shall clause 2 carry?

**Mr. Fulton:** Mr. Chairman, would you put the motion on clause 2 because this is the clause which incorporates section 34?

Clause 2 agreed to on division.

Title agreed to.

Bill reported on division.

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

**Mr. Fulton:** Tomorrow.

**Mr. Deputy Speaker:** Next sitting of this house.

## TRADE

### TABLING OF AGREEMENT BETWEEN CANADA AND SPAIN

**Mr. Roch Pinard (Parliamentary Assistant to the Secretary of State for External Affairs):** Mr. Speaker, by leave of the house I would ask to revert to motions for a moment. I should like to table on behalf of the Secretary of State for External Affairs—

**Mr. Deputy Speaker:** Order. Has the hon. gentleman leave to revert to motions?

**Some hon. Members:** Agreed.

**Mr. Pinard:** —three copies in French and in English of the trade agreement signed at Madrid on May 26, 1954, between Canada and Spain.

## SUPPLY

**Hon. George Prudham (Minister of Mines and Technical Surveys)** moved that the house go into committee of supply.

**Mr. Deputy Speaker:** Is it the pleasure of the house to adopt the motion?

### WHEAT—MARKETING OF SURPLUS

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I now propose to avail myself of this motion in order to raise a question which came before the house yesterday and which it is now possible to discuss in a manner that was not considered appropriate at that time under the rules. I refer to the situation with which we are confronted in connection with the marketing of the large surplus of wheat which we now have on hand. I do so with particular reference to the announcement made the night before last that the price of Canadian No. 1 hard wheat had been reduced 10⅛ cents. That is the largest reduction that has been made in many years in the price of Canadian wheat.

I do not propose to go into detail about the number of bushels on hand or the fact that we have the largest surplus ever stored on the farms of western Canada because those facts have all been discussed on various occasions. Every hon. member who has kept in touch with this situation in any way is fully aware of the fact that for various reasons our elevators are full, our general storage capacity is occupied and that grain is stored in unprecedented quantities on the farms in western Canada.

The announcement made the day before yesterday of this large reduction in the price of wheat, varying according to the various grades, is one that is of great importance, not only to the wheat farmers of western Canada and the wheat farmers in other parts of Canada but also to every Canadian. That announcement lopped off many millions of dollars in immediate value of accumulated wheat, a fact which means a direct loss to the farmers themselves. That loss, in turn, is something which has its impact upon the retailers, the wholesalers, the railways, the producers in eastern Canada and, generally, upon our whole economy.

Without going into many of the arguments that might be presented as to the reasons for the situation with which we are now confronted, may I say I think it must be realized that the most urgent thing required at this time is a clear declaration of policy by the government so that the farmers, those handling grain, the railways, the shippers generally and the ship owners who will be called upon to carry the grain to distant points may know what to expect during the coming weeks and months.

Although the situation had been generally known, it came as a surprise to many Canadians to learn a few months ago that at the beginning of this year none of the 1953 wheat crop had been sold and that there had been a carry-over of a large quantity of the 1952 crop. Today we are within less than two months of the opening of a new crop year.

Given a reasonably good crop this year we shall be confronted with a situation which will tax the confidence and the faith in the future of many people who have been engaged in this great part of our national activity, whether it be on the farm or in the various organizations which serve to carry the grain from the farm to the ultimate consumer.

The present situation is one over which the government has had complete supervision. In so far as it can be affected in any measure by government action, the present situation is the result of the decisions and the action of this government. Let there be no pretence that the wheat board acts without consultation with the government in reaching its decisions. At any rate, when things were going well we were told that it was the beneficent conduct of this government that had produced the good results; we were told that too often for the matter to be left in a position where any Canadian has any right to do anything else than to place fully upon this government the responsibility for meeting the situation which now exists.

One of the great problems confronting the farmers of western Canada and all farmers whose prices are affected by what happens to the price of western grain, as well as other Canadians who in one way or another are affected by this situation, is that we find ourselves between two diametrically opposed policies. The responsibility for resolving that situation is that of the government. Over and over again we have been told by this government that it does not believe there should be any intervention in trade and commerce. They have acted upon that principle in certain fields of activity. In others they do not uphold that principle. Which principle does guide the government in forming its policies? Surely it is time that the farmer, the shipper, the railways, the ship owners and all our people generally knew. Everyone in the house has supported the principle inherent in the farm prices support act. Everyone in the house recognizes the fact that, no matter what proportion of our production it may be in dollar value, agriculture is still the basic production in this country.

It must be a matter of concern to every Canadian to see our farmers in the uncertain and distressed position in which they find themselves at this time. The position is precarious. The position is one which must be faced in some way. It is a situation which can only be faced by the government. With that power of numbers which has been proclaimed on so many occasions, and once again by the Minister of Justice (Mr. Garson) this afternoon, it is not within the power of any member of the opposition to change the course of events by the decisions we might make. All too rarely is there any evidence that it is within our power to guide the course of events by arguments, no matter how sound they may be.

This is a situation that calls for action. It is a situation that calls for action by those who have the power. It is a situation that calls for action by those who have assumed so completely up to this time the responsibility for handling this matter. One of the things which makes the situation so precarious and which makes it so necessary that there be a definition of policy is the enormous surplus of wheat and other foods in the United States. Large though our total may be, and very large though it may be in proportion to the rest of our production, it is still comparatively small side by side with that of the United States.

There is this difference also that must be borne in mind. Under the procedure they follow the farmer is guaranteed a payment for his wheat. At the present time he is guaranteed a payment of $2.21 a bushel. The government is the owner of this great surplus. The government is in a position to trade with it in foreign markets. Realizing that this is a commodity they have bought and that they own, with their enormous annual income they are in a position to do things which would have a very profound effect upon our economy. I do not question the good will, the good intentions and particularly the attitude of the government and the people of the United States. Nevertheless, over the objections of the government of Canada they made this reduction and we were bound to follow. There are some differences in our better types of wheat, but substantially we are dealing with the same commodity in the markets of the world.

We cannot disregard the effect of such decisions as they make with regard to the marketing of that commodity. Our position is very different. Our farmers own the wheat. Our farmers bear the direct impact of any reduction of this kind. Our farmers will suffer directly as the result of anything that may happen which carries still further the liquidating process now under way in the United States. Can there be any assurance that what was done a few days ago means the last step in liquidating this surplus? If there is not, then let us face with reality, frankness and candour the effect that this will have upon our farmers and upon our whole economy.

Let us remember that, while American farmers under their system are protected substantially against such reductions, our farmers have been unable to realize even their immediate requirements in some cases from the stored grain, and their credit has already been substantially reduced by these things that have occurred within the past few days. Therefore there is infinitely greater need for a clear declaration of policy here than there is in the United States. I submit that instead of having a clearer declaration of policy here there is a much clearer declaration of policy in the United States and that the farmers of that country know where they stand much better than our farmers do at this time.

I repeat that the situation is such that it is not for us to offer a solution for a situation that demands immediate attention. Over and over again the government has said: We will assume the responsibility; the people have entrusted us with that responsibility. It is the government, under these international arrangements and under the various devices that have been employed, which must act if anything is to be done.

Therefore, Mr. Speaker, I submit that in the interests of the farmers of western Canada, who must be so greatly disturbed at this time; in the interests of all farmers in Canada whose farm products will be affected in their value by what happens to wheat, as we have so often learned in the past; in the interests of the retail merchants in the communities which serve them; in the interests of our various organizations which serve our producers, I believe that there is no more urgent demand confronting the government now than that for a clear, understandable declaration of policy which will make it possible for our farmers and others to plan for the balance of this crop year and for the coming crop year which will be upon us in less than two months.

I would ask that this matter be dealt with not as a want of confidence motion. I ask that the statement of the opposition be taken as definite that we would prefer that it be dealt with as a free vote so that members of the house can express their opinion to the the government that there should be a declaration of policy at this time. I therefore move, seconded by the hon. member for Prince Albert (Mr. Diefenbaker):

That all the words after "That" to the end of the question be deleted and the following substituted therefor:

"this house is of the opinion that in view of the present grave situation in the matter of international wheat trading the government should make an immediate declaration as to its policy respecting the marketing of our Canadian wheat surplus."

At six o'clock the house took recess.

[Mr. Drew.]

## AFTER RECESS

The house resumed at eight o'clock.

**Mr. H. R. Argue (Assiniboia):** The announcement made yesterday, Mr. Speaker, that the Canadian price for wheat was to be reduced 10⅛ cents per bushel constitutes a very serious blow indeed to the economy of western Canada and also to the whole Canadian economy. The minister for commerce and agriculture in Australia, Mr. John McEwen, in a statement appearing in the press yesterday has pointed out the dangers that exist in the present wheat situation. He says that the present practices being followed may lead to a depression in wheat prices similar to that prevailing in the 1930's.

I see by a press dispatch this evening that the United States is now offering low grade wheat for as little as $1.30 a bushel or 24·5 cents a bushel under the price of Canadian feed wheat.

**Mr. Howe (Port Arthur):** It is out-of-condition wheat.

**Mr. Argue:** The dispatch did not say out-of-condition wheat, it said light-test wheat.

**Mr. Howe (Port Arthur):** Out-of-condition wheat.

**Mr. Argue:** This is just another one of those optimistic comments that we have had month after month, and every time the minister makes a forecast it is just a matter of weeks until his forecast is proven wholly wrong.

**Mr. Howe (Port Arthur):** All I am asking is that my hon. friend quote the newspaper accurately.

**Mr. Argue:** The inference now that the United States is just selling something that is out of condition may or may not be borne out by the facts. The press statement I read did not say that the three million bushels of light-test wheat being offered in Minneapolis at $1.30 per bushel was out-of-condition wheat. The Argentine is now selling wheat at between $1.63 and $1.66 per bushel. Unless steps are taken to prevent a further deterioration in the price of Canadian wheat the results will be catastrophic to western Canada.

I listened before six o'clock to the speech delivered by the Leader of the Opposition (Mr. Drew) and I heard his amendment calling on the government for a declaration of policy. I am sure we on this side of the house support the proposition that it is time now for the government to declare its policy in relation to the marketing of wheat. But I was disappointed that the official opposition,

in the statement made by its leader, apparently was unable to offer a single concrete suggestion to the government as to what should be done to meet this very grave situation. Before I conclude tonight I shall offer suggestions to the government which I believe, if adopted, would provide a solution.

We have asked the Minister of Trade and Commerce (Mr. Howe) and we have asked the Prime Minister (Mr. St. Laurent) what steps have been taken to co-operate with the United States in a sales policy. The United States has a large surplus of wheat. We have a large surplus. The question has been asked: What co-operation is there between Canada and the United States in deciding on a sales policy? The answer that has come back from the Minister of Trade and Commerce is that we are not co-operating because such co-operation would mean a combine on this continent in the sale of wheat.

**Mr. Howe (Port Arthur):** My hon. friends might occasionally be accurate. I at no time said we are not co-operative. I said we are not adopting the common sales policy which would mean a cartel in respect of the sale of wheat, but we are co-operating to the extent of meeting and comparing our respective views preceding action. The action taken by the United States was preceded by a meeting called by the United States.

**Mr. Argue:** That is what I meant.

**Mr. Howe (Port Arthur):** If that is what you meant, then I do not know what you mean now.

**Mr. Argue:** All that happens is that the Canadian government or the United States government, one or the other, takes the lead in cutting prices and in a matter of hours the other one follows suit. Unless the Canadian and United States governments adopt a similar policy, and not an independent policy with each country cutting its price then there is going to be great difficulty ahead for the western wheat producer.

The Minister of Trade and Commerce stated in the house that he had no idea of co-operation because, and these are his words as they appear at page 5302 of *Hansard* for June 1, 1954:

> I hardly think the idea of forming a combine against the world would be popular in either country.

If he meant by that that the present policy is going to be continued, with one country cutting the price and then the other, there is little hope for the western wheat producers. It is rather easy to blame the United States for cutting the price of wheat. I want to point out that it was the Canadian government that started the price war. It was the Canadian government, not the United States government, that made the first slash in the price of wheat, and that was on February 16, at 1.30 central standard time, when the price of Canadian wheat was reduced by seven cents a bushel at Fort William-Port Arthur. One hour and forty-five minutes later the United States followed suit. The Canadians broke the price of wheat on February 16, and the price of wheat was broken at Port Arthur-Fort William because these ports cannot compete with the port of Vancouver at the same price.

The Minister of Trade and Commerce is from Port Arthur, and he knows—

**Mr. Howe (Port Arthur):** How small can a man get?

**Mr. Argue:** That is all right; it is not a matter of smallness, it is a matter of record. The Minister of Trade and Commerce is from Port Arthur, and he knows—

**Mr. Howe (Port Arthur):** And he therefore cut the price at Port Arthur!

**Mr. Argue:** The Minister of Trade and Commerce is from Port Arthur, and he realizes that the freight rates from Port Arthur down the great lakes to Montreal make that route relatively uneconomic in comparison with the Vancouver route. In order to give Port Arthur-Fort William an equal advantage the price of wheat was cut and the western wheat producer is being forced to subsidize, by seven cents a bushel at that time and by six cents a bushel now, a relatively uneconomic route.

I come back to the first statement I made that the Canadian government started the price war by slashing the price of wheat by seven cents a bushel on February 16. We cannot blame the United States now particularly if she follows suit, and this time cuts the price of wheat by ten cents a bushel. We on this side of the house do not believe that the present capitalistic system will function.

We have said that the only time agriculture is able to sell its products under this system is during a war, or shortly after; that with the present type of government, the present administration and the present policies being followed, sooner or later we would come to a period of surpluses, loss of markets and depression. And we warned the government about that after the war.

We supported the proposition that there should be an international arrangement for the sale of surplus food on the international markets. The food and agriculture organization of the United Nations advanced specific proposals for the setting up of an

international commodity clearing house, a proposal whereby surplus food would be taken off the regular market and would, by an orderly method, be marketed in those countries that lacked purchasing power, and where that food was needed. And at the conference in 1949, to the everlasting shame of this government and to the everlasting shame of the Minister of Agriculture (Mr. Gardiner), as the representative of the Canadian government, he opposed the setting up of an international commodity clearing house, opposed the establishing of a world food pool.

**Mr. Gardiner:** You are just dreaming.

**Mr. Argue:** No, I am not dreaming, at all. But the minister may have been dreaming when he made his speech to that conference.

**Mr. Knight:** Let us hear his speech.

**Mr. Argue:** On November 24, 1949 the Minister of Agriculture said:

> Any transactions developed under the short term trading functions will be subject to concurrence by the governments concerned, and the major details of such transactions will also be subject to agreement by governments. This being the case it hardly seems necessary to have an international agency actually buying and selling in commodity markets. It may even be questioned whether such activity in commodity markets by an international agency is desirable. It seems to us, therefore, that the question of the creation of a large capital fund for such a purpose is not necessarily an issue.

It is clear from that statement that the Minister of Agriculture was opposing such a question. Then he went on to say:

> As has been pointed out in other conferences, however, national governments can, and do, perform this function and we do not see that stocks held by an international agency will, in the short run, contribute to any improvement in the present situation. Canada, for example, has provided for the holding of stocks of wheat under government control.

That is just as plain as it could be.

**Mr. Gardiner:** On short term.

**Mr. Argue:** That is just as plain as it could be.

**Mr. Gardiner:** My hon. friend will admit that that is for a short term; you are talking about a long term policy.

**Mr. Argue:** I am talking about the very clear fact that the Minister of Agriculture was opposed to the plan set forth by Sir John Boyd Orr in 1949.

**Mr. Gardiner:** I never did oppose Sir John Boyd Orr, at any time. I supported Sir John Boyd Orr every time he appeared before the conference.

[Mr. Argue.]

**Mr. Argue:** And there is just as much accuracy in that statement as in a great many other statements made by the Minister of Agriculture.

**Mr. Gardiner:** If I could not be more accurate than my hon. friend I would not speak at all.

**Mr. Argue:** Canada, with the help of the United States, opposed the international commodity clearing house. The record is clear, and the statement of the Minister of Agriculture is clear.

**Mr. Gardiner:** Canada did no such thing.

**Mr. Argue:** It was opposed in—

**Mr. Gardiner:** Canada did not do any such thing, and neither did I.

**Mr. Argue:** The Minister of Agriculture can "beller" all he likes, and he can make his forty minutes speech when the time comes, but he cannot change the record of his statement at that conference.

**Mr. Gardiner:** And he does not want to, either.

**Mr. Knowles:** He has tried often enough.

**Mr. Argue:** The government went on, in spite of the warning from this group—

**Some hon. Members:** Oh, oh.

**Mr. Argue:** —and changed the marketing of agricultural products from Great Britain to the United States. We said that the United States was not a reliable market for Canadian agricultural products. We said that Canadian agricultural products in the main competed with similar agricultural products produced in the United States, that before long the Americans would have surpluses of their own and that they would be keeping out Canadian surpluses from here. And we have seen that very thing happen.

The Americans have kept out our wheat and our barley and our cheese and our powdered milk and our oats and our dairy products. The United States has kept out almost all of Canada's surplus agricultural products that we have attempted to market. And the government has lost the British market for Canadian bacon and cheese and eggs, and other important commodities.

**Mr. Howe (Port Arthur):** May I ask what action the United States has taken to keep out Canadian barley? I am not aware that Canadian barley was kept out.

**Mr. Argue:** That was a mistake, Mr. Speaker.

**Some hon. Members:** Oh, oh.

**An hon. Member:** It is all a mistake.

**Mr. Argue:** My hon. friend behind me said "oats", and then I said barley. I stand corrected. But I will make this forecast, that just as soon as there is a tiny surplus of American barley, Canadian barley will be added to that list. So if I am not right tonight, it is probably just a matter of time, in the short run, when I will be right, and the Americans will be adding barley to the host of other Canadian agricultural products now prohibited.

**Mr. Gardiner:** Stay on the short run and you will be all right.

**Mr. Argue:** We have lost the British market for other products and the British market now is being lost for Canadian wheat. The loss of our overseas market for grain means very serious times ahead for the Canadian wheat producers. And so I say that this government is directly responsible for the economic position of western Canada today.

**Mr. Byrne:** That's a good one!

**Mr. Argue:** No attempt has been made to co-operate with the United States in obtaining a common sales policy. The Minister of Agriculture opposed in 1949 an international food pool to take care of our surpluses; and now, five years later, Canada faces the results of that opposition by the Minister of Agriculture in 1949.

And I tell the government this, that the wheat producers of western Canada hold this government responsible for the economic position they are in today. When this session began last fall we in this group asked the government to take steps to put money into the hands of the farmers. We asked the government to make advances to buy grain in store on the farms. And we were told that the economic position was good, that the farmers had never been in a stronger position. The Minister of Agriculture gave his usual line of optimism—that everything was fine, that the export market was running high, that everything was going to be all right in a matter of months.

Well, everything is not all right; everything is getting worse. Our export markets have fallen to the point where the export market for wheat in May of this year showed one of the lowest figures in our history, far below the average for the month of May in exports in the last ten years.

The Minister of Trade and Commerce said, "Oh well, one of the reasons our exports are down is that there was a strike at the port of Vancouver a year ago, and that resulted in large exports in the month of May, after the strike was over. Our exports in May of last year were 46 million bushels, and for May of this year—and these figures are not absolutely accurate; they are approximate, but the minister said the other day that they are nearly correct—were about 16 million bushels. Two years ago, in 1952, when there was no Vancouver strike, May exports amounted to 43·7 million bushels. If you do not want to take May of last year, take May of two years ago. The exports dropped from 43 million bushels down to 16 million bushels.

I have gone through the wheat board figures back as far as 1946, and I would have gone back even farther but the export figures for wheat were not listed for May in the annual reports before 1946. All of the figures, as you go back, are substantially higher than the export figure for May of this year. In the five-week period a year ago ending June 3, 1953 our exports of wheat were 44 million bushels. In the same five-week period this year our exports of wheat were only 18 million bushels. In the five-week period a year ago our exports of barley were 18 million bushels, and in the recent five-week period our exports of barley were 3 million bushels. Our wheat exports were reduced by 60 per cent; our barley exports were reduced by well over 80 per cent.

I never thought last fall that our May exports would be as low as they are. But I could see that there was difficulty ahead. At that time we asked the Minister of Trade and Commerce to give us a realistic analysis of the situation. Of course when the minister makes a statement he makes the headlines, and we do not complain. The remarks of the rest of us are tucked lower down in the statement or on the third or fourth page. The minister's statement gets the attention and the retailers, the small merchants of western Canada, believe his statement to be accurate. Since they believed that the minister's analysis of the grain situation was correct they gave substantial credit, and today by the dozens all over western Canada implement dealers, automobile dealers and merchants of all kinds are going into bankruptcy.

**Mr. Byrne:** How is the hardware business?

**Mr. Argue:** I am talking about the retail merchant in the small town which is in the heart of the wheat-growing area, and the small merchant in the ordinary town in western Canada is facing great difficulty. Part of the reason why he is facing the difficulty is to be found in the kind of advice and the kind of forecasts made by the Minister of Trade and Commerce. He has said in those

forecasts to the retail merchants that everything was fine, the wheat picture was wonderful, exports were the first or the second greatest on record in our history. But now the facts are coming in, and they have proven the minister wrong. The real facts of the situation are forcing a great many merchants in western Canada to the wall. Now is the time for action from the government to save the agricultural economy, to save the small merchant and to save the whole Canadian economy from one end to the other.

I will make another comment as to what one of the results of this latest reduction in the price of wheat may be. The price of No. 1 northern is down to $1.72 basis Fort William-Port Arthur, and the wheat board has to have 10 cents or so a bushel to operate, to pay its storage costs and to pay other costs of operations.

**An hon. Member:** The amount is 4½ cents.

**Mr. Argue:** That is a different figure; it does not come into it at all. Therefore the wheat board, while it is operating on a gross margin of 32 cents on No. 1 northern wheat, has to pay out of that 32 cents a great many of its expenses. I should like to know from the Minister of Trade and Commerce—and I will sit down if he will give me the answer right now—will there be an interim payment of wheat for 1953? I ask the minister that question.

**Mr. Howe (Port Arthur):** Certainly there will be an interim payment.

**Some hon. Members:** All right; sit down.

**Mr. Argue:** I would like to know then from the minister if we can expect the interim payment in the calendar year of 1954?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Argue:** I am glad; we are making progress.

**Some hon. Members:** Sit down.

**Mr. Argue:** If we can keep on this way I will never sit down. Now we are making some progress. Can the minister say how much it will be?

**Mr. Speaker:** Order.

**Mr. Howe (Port Arthur):** Mr. Speaker, we must have an understanding. What will my hon. friend do if I tell him that? He said he would sit down and he did not sit down.

**Mr. Argue:** Make it twenty cents and I will sit down.

**Mr. Speaker:** It seems to me that the best way to have questions put and answers given is to get the Speaker out of the chair and to go into committee of supply on the estimates of the Department of Trade and Commerce.

**Mr. Harkness:** Don't interrupt the auction sale.

**Mr. Argue:** As I have been saying, Mr. Speaker, one of the results of the reduction in the price of wheat is not only to make the economic position of the western farmer more difficult, but to bring about economic stress throughout the nation. Of one thing I am sure. There would never have been 6,000 men laid off in the automobile industry a few days ago if the western farmer had been able to sell a reasonable proportion of his 1953 crop. Every time the price of wheat goes down, every time the income of the western producer goes down, unemployment in Canada goes up. And the reduction in the price of Canadian wheat by 10⅛ cents a bushel, unless something is done about it, is going to result in increased unemployment. That statement is borne out by a press release today by the Canadian Congress of Labour in which it says that in the light of events, in the light of the reduction in the price of wheat, the statement by the government that there would be an upswing in employment in the second half of the year looks silly. The Canadian Congress of Labour, the trade unionists, know that as farm income goes down unemployment goes up. If the government wants to reduce unemployment it has to prevent a further drop in agricultural income. I would go further and say it needs to restore agricultural income.

The Americans have reduced the price of wheat by 10 cents a bushel, but the Americans, under a Republican government, with the support of a Republican congress, have a parity support price for the main agricultural commodities, and that parity support price is being continued through 1955. Therefore the United States farmer is guaranteed, even with a drop in wheat prices of 10 cents a bushel, a price of over $2.20 a bushel. The Minister of Agriculture can shake his head.

**Mr. Gardiner:** It is 90 per cent of parity.

**Mr. Argue:** That is exactly what I said, 90 per cent of parity, $2.20 a bushel. The United States farmer is in a good position. There is a Republican government in the United States, but their agricultural policy is much more progressive than that of a so-called Liberal government in the Dominion of Canada. In Canada, with the drop in the price of wheat by 10⅛ cents a bushel, the farmer is not protected. The Canadian farmer takes the loss and is being put through the wringer. The United States farmer has some protection. Over the years the Liberal party has

opposed parity prices; it has opposed floor prices. It scarcely has a floor price worthy of mention.

**Mr. Gardiner:** It has floor prices.

**Mr. Argue:** The only floor price worth anything is the floor price on butter.

**Mr. Gardiner:** A while ago you said we didn't have any.

**Mr. Argue:** If the minister wants to stand up and tell the Canadian farmer he should cheer because there is a floor price on butter then he can go ahead, but I say the Canadian government has always opposed the principle of floor prices, and the principle of orderly marketing. Just a few days ago in this house members on the government side of the house voted against a motion moved by the hon. member for Mackenzie (Mr. Nicholson) asking for a floor price on hogs and cattle equal to the average price prevailing from 1951 to 1953.

**Mr. Gardiner:** We have floor prices on hogs, eggs, and butter.

**Mr. Argue:** This is a new comment. The floor price on hogs is 23 cents per hundredweight. But what happens as soon as the price on hogs goes down near the floor—the minister rushes in and yanks out the floor.

The government will not set a floor price and has always been opposed to floor prices. If our western economy is to be saved I believe the government itself should pay to the wheat board the 10⅛ cents a bushel by which wheat has been reduced. The farmers of western Canada should receive a guarantee that for every bushel of No. 1 northern wheat sold there will go into the Canadian wheat board fund $1.82. Someone says that that would be a subsidy policy and would mean a levy on the taxpayers of Canada.

I listened to former president Truman on the radio the other night. I have always been an admirer of Harry S. Truman, and the economic policies he propounded. He said a democratic government in the western world should now follow a fiscal policy of tax and spend, and tax and spend. In the course of that address he said we were told by some that the duty of the government is to balance the budget. But he said the duty of a democratic government today is to follow a fiscal policy which makes sure that the family budgets of the people of that nation are balanced, and that that is far more important than any system of so-called sound finance.

This government has said it was in favour of a cyclical budget. But we have not seen any as yet. This government is apparently unable to adopt the farsighted economic measures necessary to prevent a further deterioration in the grain situation, and which are necessary to prevent a further deterioration in the unemployment situation.

I have never followed those who criticized labour for attempting to gain high wages. I believe history shows that the only time the farmer has received good prices for his products is during periods when labour is employed at high wages. I want to see full employment; I want to see high wages; and I believe that one of the best ways of bringing about full employment is to have adequate prices for agricultural products. Conversely, one of the ways of obtaining good prices for agricultural products is to have full employment. If this government wants to solve the agricultural situation and the unemployment situation it must increase agricultural prices, establish adequate floor prices, and embark on an adequate program of public works and public expenditures to make sure that our half a million unemployed are put back to work.

Because of unemployment in Canada today we are losing nearly a billion dollars in wealth production. That is the real burden on the economy of Canada. What we want from the Canadian government is an economic policy based on parity prices for the producer, and full employment at high wages for the industrial worker.

I believe the government should set aside a reserve of wheat and should purchase wheat in store on farms and pay the farmers for a substantial quantity of that wheat. It is impossible for farmers today to move wheat in any quantity, and farmers are unable to pay their outstanding obligations to merchants in the towns. They are unable to meet their current farming expenses, and unless a real improvement takes place soon the falling off in farm income is going to result in a further drastic lay-off in industry.

I would like to suggest to the Minister of Trade and Commerce that he go to Great Britain and endeavour to sign a Canadian-United Kingdom wheat agreement something along the lines of the U.K. wheat agreement signed after the war.

**Mr. Howe (Port Arthur):** Is that consistent with your idea that we sign an agreement with the United States to sell in partnership with them? How many agreements can we have at one time?

**Mr. Argue:** I know the minister does not like agreements but I am quite prepared to say that I think the Minister of Trade and Commerce would be well advised to explore the possibility of signing an agreement with

the United Kingdom which will guarantee to the Canadian wheat producers a reasonable share of that market. As my time is running out, Mr. Speaker, I should like to move, seconded by the hon. member for Humboldt-Melfort (Mr. Bryson):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:
"and that the government should give consideration to including in such policy the provision of a floor price to the wheat producers of Canada at levels not less than the Canadian wheat board selling price, basis Fort William/Port Arthur, on Friday, June 4, 1954."

I believe, Mr. Speaker, the government should consider the acceptance of sterling and other soft currencies as part payment for wheat which can be shipped to those countries. The government should take every possible step toward removing tariff and trade barriers. The government should start a genuine program of economic assistance to underdeveloped countries. The present Colombo plan is very small and not in keeping with the generosity of the Canadian people, and we believe economic assistance should be greatly expanded.

The government should endeavour to cooperate with the United States to prevent continuation of the present price war and, as a final suggestion, I would urge upon the Minister of Trade and Commerce that no matter what happens he should not reduce the initial prices for wheat, oats, and barley for the next crop year which commences August 1, 1954.

I believe the industrial worker has a right to a job at a decent wage. The farmer already has a job and in that job he endeavours to produce food. The farmers of Canada have been successful in the production of food as never before, and I believe they are fully justified in calling on the government to take the responsibility for marketing that food and distributing it throughout the world wherever it is needed. The farmer has fulfilled his part of the bargain by producing the food. It is now up to the government to adopt measures which will distribute that food.

**Mr. Solon E. Low (Peace River):** Mr. Speaker, this appears to me to be a time when members of this house and the government should be exercising the calmest judgment of which they are capable because the situation we face is a serious one. However, there is nothing to be gained by going into hysteria or trying to whip up hysteria. I believe that we have got to look at the facts calmly and deliberately, to try to feel our way through those facts and, against the background of those facts, to adopt a policy that will ensure that agriculture in the future will not be demoralized.

It is true that the reduction of 10⅛ cents in the wheat price that was announced yesterday will be a terrific jolt to Canadian farmers. I am not saying that all of them are going to see blue ruin in it but at any rate they are looking at it today in the light of the facts and are realizing that their crops now in store are going to bring them many millions of dollars less than they would have brought had the price not been cut. Coming on top of all of the other set-backs that the farmers have had during the past few years, I can well imagine that among our farmers there will now be a widespread feeling almost of demoralization.

I do not need to take much of the time of the house to describe the serious effects that followed the foot-and-mouth disease outbreak some years ago and the consequent closing of the United States market to our beef. I think a single sentence is enough. As a consequence of the closing of the United States market against western Canadian beef the livestock industry in western Canada was dealt a blow from which it will take many years to recover, if it ever does recover. That is just one of the tragedies that can result from following a marketing policy described as putting all or most of your eggs in one basket.

On top of the blow to the livestock industry came the unprecedented glut of grain storage facilities in western Canada as a consequence of which, as has already been described, a good many thousands of farmers have been unable to market enough of their grain to pay their bills. Many of them have suffered foreclosures on machine and automobile contracts and other things, and the retail merchants in the farming areas have found it necessary to cut off completely or almost completely extensions of credit to the farmers. There has been widespread difficulty among the farmers just to live and to keep their heads above water during this past winter. I am not for a moment suggesting that we belabour the government for all of that difficulty, but these are just facts that we have got to look in the face.

As if these things I have mentioned were not enough, the United States have put up embargoes against certain of our Canadian coarse grains or they have succeeded in inducing the Canadian authorities to impose export restrictions in the same field. In addition to all this, the costs of farm production have been steadily rising while over-all

farm prices have been on the decline. It is therefore no wonder that the average farmer feels that agriculture in this country is and has been for months facing a crisis.

Anyone who took a careful look at the huge accumulations of foodstuffs in storage in the United States last year at this time saw potential trouble ahead. At that time some of us said that if the United States felt inclined to start cutting prices as a means of capturing the British wheat market or as a means of getting rid of some of the huge stocks in store and owned by the United States government, the result could be a price war which could force farmers' returns down to disastrous levels. We saw one factor, of course, that might prevent such a price war, namely, the fact that the United States government had guaranteed the American farmer a support price of $2.21 a bushel for his wheat until the end of 1954. Since then their guarantee has been extended until the end of 1955 at 90 per cent of parity. But it seems that that factor has not been effective in preventing the cutting of prices in order to capture world markets and to move grain.

The members of this group a year ago—yes, more than a year ago—expressed regret that Britain did not become a party to the international wheat agreement. Had Britain joined the scheme there would have been considerably more stability to world wheat prices. I am perfectly sure of that. Some of us—and I was amongst them, as were the hon. member for Acadia (Mr. Quelch), and the hon. member for Battle River-Camrose (Mr. Fair)—thought it was a great mistake not to set the ceiling price under the agreement at $2 instead of $2.05. Perhaps that may—and I say "may" advisedly—have made quite a difference in the situation. It may have resulted in bringing Britain into the agreement. Had she come into the agreement I am sure that she would have stayed in it. Of course this thing can be argued both ways. I do not know for certain what would have been the situation, but I feel that Britain would have come in. However we stayed with the $2.05. We stayed with the United States in that regard and here we are.

However that may be, we are now facing a situation where the United States made a substantial cut in the export wheat price and the Canadian wheat board has felt compelled to bring our own price down by 10½ cents in order to compete successfully for markets. That is a fact we have to keep in our minds. I am not criticizing—and I want to make this point abundantly clear—the Canadian wheat board for taking this action. It seems to me that with them it was not a question of undercutting; rather with them it was a matter of competing for markets. If the United States particularly cuts wheat export prices, then we in Canada have to compete or simply not sell. So far as I can see, there are no other alternatives.

I do not think that the farmers themselves are going to be too much exercised over the present price, which I believe is something about $1.70 after the cut of yesterday. But, Mr. Speaker, what they will worry about is where we are headed in the days to come. I think that is the important thing. I think the time has come when it is incumbent upon the government and upon this parliament to give assurance to the farmers of Canada that effective action will be taken to prevent any price war that may develop, thereby forcing the returns to the farmers down below economic levels. I am quite certain that whatever action we may take we may not be able to prevent a price war. The pressures in the United States are very great. The possibilities of their starting a price war are still very genuine. But however that may be, I think it is necessary for us to give to the farmers of Canada the assurance that in any price war that takes place, their prices and the return to the farmers from the sale of their products must not be allowed to be forced down to uneconomic levels.

We think it is only fair and just that the government establish and maintain a floor price on wheat and on other farm products. While I am saying that I am going to say also that such a price—that is a fair and equitable floor price—for all primary products will have to come in the future. I do not see any way out of it. But I say that it is time that we adopted and gave evidence of maintaining an effective floor price for farmers that will guarantee them the cost of their production plus a reasonable margin of profit.

That is the level which we are convinced is right and just. We are convinced that a course of that kind is not only essential but is also completely justified. I could give a good many reasons and perhaps talk for quite a long time in doing so, but I am going to try to get right to the point and state the reasons why I believe that a course of that kind would be completely justified and do so in as short a time as I possibly can.

In the first place let us not overlook the fact that during the war when the world price was high Canadian farmers were prevented from enjoying those high prices by the policies of the government. They were

promised price stabilization on a long-term basis in return for taking a lower price during the war. Their losses under the British wheat agreement and the domestic cheap bread policy ran into hundreds of millions of dollars. A grateful Canadian public therefore should not now desert the farmers and leave them to be victimized by any price war that might ensue.

It might be a different story if the world did not need the food that is piled up in this country and the United States, but I want to emphasize and repeat what has already been said by others. There are parts of the world that are desperately in need of food and the portents of the future indicate to me an even greater need. This is no time therefore to discourage production. The farmer's will to produce and his ability to produce must be preserved unimpaired or the world will suffer and we will suffer with it. That is an important thing to keep in our minds.

I come now to the second reason that justifies the establishment of an effective floor price for agricultural products. Our farmers are now and have for many years been compelled to buy the great bulk of all the things entering into their cost of production on a protected market, and our western farmers are penalized also by having to pay heavy freight rates both ways on the things they sell and on the things they buy, the highest freight rates in America.

I want to give a single example of this protection. Some years ago, I think it was in 1944, Mr. Ilsley, the then minister of finance, stated in the house that it was government policy to free from duties all implements, instruments and apparatus used by farmers producing farm products. Over the years since that time that policy has been carried out to a very large degree, but the government still maintains—and I only give this as an example—a 15 per cent duty against the importation from the United States, the only place where they are made, of wagons, sleds and trailers, all very essential to farm production. For three years that I know of, and perhaps many more than that, the Canadian Federation of Agriculture has been asking the government to implement the federal policy outlined by Mr. Ilsley in 1944 and remove the duty on wagons, sleds and trailers imported from the United States.

I personally asked for the same thing twice this year, and the reply I got from the parliamentary assistant to the Minister of Finance was that this year the submissions from the Canadian Federation of Agriculture came in rather late. I am asking: What about the submissions made two years ago by the federation of agriculture, and last year? Certainly it cannot be argued that those requests came in too late for consideration in this year's budget. But they were not considered.

I cite this particular example only to show how little consideration is given to matters affecting agricultural costs and how long injustices have to continue before the government finally is moved to remedial action. While it is true that most items of farm machinery are now allowed into Canada duty-free, most other things that farmers must buy are protected, and many of them quite unreasonably.

I give a third reason to justify the position that I have taken. Canadian wheat farmers must compete with those countries using depreciated currencies. For some years Canada pegged our dollar at a 10 per cent discount in terms of the American dollar. Our wheat sales on the international market are paid for in American funds. The government not so long ago abandoned the fixed rate of exchange and the dollar has risen to a premium position which penalizes our farmers to the extent of 18 to 20 cents a bushel on export wheat compared with their returns during the period in which the dollar was pegged at 90 per cent of parity. This 18 to 20 cents differential is a serious loss which places the Canadian wheat producer at a decided disadvantage compared with the farmers of the United States and those in countries whose currencies are depreciated. It is a very real thing that we have got to face.

I recall the situation that developed in the early thirties. We had lots of wheat for export at that time. Our markets were disrupted both internally and externally but Prime Minister Bennett declared that he would blast his way into the world markets. It sounded good at the time, but the fact is that Australia and New Zealand, both wheat sellers, devalued their currencies and pegged them, if I remember correctly, at 25 per cent below the British pound. Canada did not take similar action and consequently our farmers had to take ruinous prices for their wheat while Australia and New Zealand got rid of theirs and obtained a good price for it. I am wondering whether we are not approaching a similar situation today.

For the reasons I have mentioned, and others I could speak about if I took the time, I am convinced that we must establish effective floor prices for wheat and other farm products at a level that will return to the farmer his cost of production plus a fair profit. The farmer must be kept in business and agriculture must be maintained in a healthy condition. I see no other solution of

the problem than the one I have mentioned. What the mechanics of establishing that floor price will be I am not going to presume to suggest now. That seems to me to be a matter for the government experts to work out. But I want to emphasize though that it might be necessary—I say "might be"—to devalue the dollar again. I am not sure.

However, it certainly will be necessary for the government to strengthen the Agricultural Prices Support Act and certainly to remove the escape clause that is now in the Agricultural Products Co-operative Marketing Act because, as was pointed out by my colleague, the hon. member for Acadia, when he spoke on May 17, as found at page 4805 of *Hansard*, subsection 3 of section 3 of the Agricultural Products Co-operative Marketing Act as it now stands completely nullifies the effective operation of the Agricultural Prices Support Act. As was quite well said by the hon. member for Assiniboia (Mr. Argue), speaking a few minutes ago, that clause renders the Agricultural Prices Support Act almost useless because at any time the minister can, under subsection 3 of section 3 of the Agricultural Products Co-operative Marketing Act, withdraw any support that may have been extended under the other act. That is why I say that the escape clause must be removed.

**Mr. Gardiner:** If there is any such clause there it has never been used.

**Mr. Low:** It is there. The minister will have to admit that it is an escape, and it gives no guarantee whatsoever that even if we strengthened the Agricultural Prices Support Act we would be able to carry it through. I am not saying it has been used or it will be used, but certainly if we are going to give the farmers of the country any assurance whatsoever that we will maintain effective floor prices, we have got to strengthen both acts and certainly remove that escape clause.

**Mr. Gardiner:** Have you the section of the act there?

**Mr. Low:** Yes, I can get it in one minute.

**Mr. Gardiner:** While the hon. member is looking it up, I should like to say that the co-operative marketing act was passed five years before the other act so that it could not have been intended that it should make any difference in the Agricultural Prices Support Act.

**Mr. Low:** I point out to the hon. minister that it is there. Section 3, subsection 3 of the Agricultural Products Co-operative Marketing Act says:

> An agreement made under subsection 1 may include a provision that the minister may on such notice as he deems fair and reasonable require that the delivery of an agricultural product to a co-operative association, processor or selling agency shall be discontinued with the result that the minister shall not be liable in respect of any agricultural product delivered to the co-operative association, processor or selling agency after such requirement.

**Mr. Gardiner:** That has nothing to do with the Agricultural Prices Support Act.

**Mr. Low:** It could be used as an escape if any floor price arrangement were made.

**Mr. Gardiner:** It never would be by us.

**Mr. Low:** I am glad to hear the minister say that is so, but it remains there as a potential threat just the same.

**Mr. Gardiner:** It is not the same thing at all. Under the act from which you are quoting we sit down and make an agreement with a co-operative organization to do a certain thing; that has no relationship to the other general provision.

**Mr. Quelch:** That is the act under which we guarantee the initial price for marketing boards.

**Mr. Gardiner:** But it has nothing to do with the general floor price under the Agricultural Prices Support Act.

**Mr. Quelch:** No.

**Mr. Gardiner:** That is something that is set by law.

**Mr. Low:** I certainly did not intend to imply it had anything to do with the Agricultural Prices Support Act, but as I say if you are going to establish effective floor prices for agricultural products, then that clause must be removed or some other action taken to remove the threat.

**Mr. Gardiner:** It has no relation to it at all.

**Mr. Low:** I cannot at this moment debate whether it will or will not be used. The fact that the clause is there gives the government an escape from any obligation it may have, particularly in guaranteeing initial payments.

Now then to go on, I do believe it is essential also that the world, particularly those countries that do produce food materials in surplus, press forward as fast as possible toward the establishment of some international distribution agency such as an international commodity clearing house. I feel that that is going to be an essential in the future, and the sooner we get such an international body for distributing surplus food products, the better. I do not see any orderly way of taking care of the situation without some such international agency.

I think also that we have to change our thinking relative to the acceptance of some

sterling currency in settlement of any balances owing Canada by Britain. So far as I am concerned there has never been a single valid reason why Canada should not have started accepting some sterling as far back as 1945 and 1946. I am convinced that if we had, instead of plunging into the Bretton Woods agreements, our trading position and that of Britain today would be far stronger than they are. I feel, too, that our markets for farm products would have been rendered far safer and much more stable if we had shown a willingness to accept from Britain the only thing she had at the time to offer us, her own currency, in part payment at least of the balance owing us.

I remind the hon. member for Assiniboia when he speaks about losing markets and that sort of thing, that he and his party voted with the government for plunging Canada into the Bretton Woods agreements in 1945, and they had plenty of chance to get their eyes open. I remind him, too, that he and his colleagues voted against a motion which we moved just last fall in this house calling upon the government to accept some sterling —I do not say all—in settlement of Britain's trade balances. I remind the house that in the early part of this session we moved an amendment calling for the acceptance of sterling in the way I have mentioned. In my judgment it was very foolishly turned down, with the exception of certain members of the Conservative party who supported it.

I remind the house also that since we moved that amendment last fall calling upon this government to proclaim its readiness to accept some sterling in payment for balances owing, as well as the currencies of other countries, the United States has adopted a policy of accepting not only sterling but the currencies of other countries as well in payment for surplus foods. We pointed out on many occasions that we in this group have a sound and scientific method of financing internally the export to other countries of those products for which we are prepared to accept the currencies of those countries in payment. The proper use of the Bank of Canada would make such financing possible without involving us in any inflationary trends or increases in the burden of interest, and we would not have to pay an inflated public debt.

At any rate the government will have to work out the mechanics of an effective and fair support price system for agriculture. I do not see any escape from that. I point out that the government of the United States has extended for another year the 90 per cent parity support she has had in effect for some years for agricultural products to protect her own farmers. I do not believe anybody in this house—certainly I would not—would advocate a rigid support policy like that in the United States; not for one moment. Ours should be a flexible support system designed to support—I underline "support"—rather than to provide an incentive for all out production of food materials, at least until world trade has been put on a satisfactory basis of exchange of goods between nations. It looks to me, Mr. Speaker, as though we have to act now. We have to let the farmers of this country know we are prepared to act, and act quickly if Canadian agriculture is to be kept in a healthy condition.

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** The Leader of the Opposition (Mr. Drew) moved the following amendment to the motion to go into supply:

> This house is of the opinion that in view of the present grave situation in the matter of international wheat trading the government should make an immediate declaration as to its policy respecting the marketing of our Canadian wheat surplus.

I find it surprising that the Leader of the Opposition or any other member in this house is not aware of the government's wheat policy. Within the last two weeks a committee on agriculture completed its work. In the course of its sittings it heard from each of the leaders of the three western pools; it heard from the president of the United Grain Growers; it heard from a representative of the private grain trade in Canada; it heard from members of the wheat board. I must say that in the course of the committee proceedings I heard no criticism whatever of Canada's wheat policy. I believe words of praise were sprinkled throughout the minutes of the hearing with a lavish hand. I was rather shocked at some of the remarks that were made there, and I was afraid the committee might turn the heads of some of the witnesses. I believe I protested on one or two occasions. Surely if there was any doubt about Canada's wheat policy, that was the place to explore that doubt. You will never find any more expert witnesses before any parliamentary committee than we had before that committee. You will never find a gathering of men with a better knowledge of the Canadian grain trade and Canada's marketing methods than the men who appeared before that committee. However, today we are told that Canada must declare its policy for marketing wheat. The reason given is the grave situation in the matter of international wheat trading.

Well, what is the "grave situation"? Canada has recently lowered its selling price for wheat by about 6 per cent. In other words it has brought down the price

at Vancouver from $1.88 a bushel to $1.78. It has lowered the price at Fort William from $1.82½ to $1.72½. That—and I shall quote again—is the "grave situation in the matter of the international wheat trade". Well, that may or may not be a grave situation. But in any case, if it is not a grave situation, we will discuss it in those terms.

What is the policy of the Canadian government? That policy was laid down in 1943. All the wheat produced in the prairie provinces is delivered to a compulsory pool managed by a wheat board, which reports to its shareholders and is the property of the shareholders, who are the producers of the prairie provinces. It is the duty of that board to sell Canada's wheat crop to the best advantage for the account of the producer. And I gathered from the meeting of the committee that hon. members who attended that committee believed the board was doing just that.

The suggestion is made tonight—entirely without foundation—that Canada is losing its place in world marketing, and particularly losing its place in the British market. What are the facts? I have here a document showing the world trade in wheat, in millions of bushels, annually. In the period from 1934 to 1938 the average world trade was 534 million bushels. Canada's participation in that trade was 178 million bushels, or 33·3 per cent of the total. In 1945-46 the total trade was 876 million bushels; Canada's participation was 366 million bushels, or 41·8 per cent of the world trade. That was the year which included the end of the war. Then in 1946-47 total world trade was 746 million bushels, of which our share was 229 million, or 30·1 per cent. In 1947-48 total world trade was 946 million bushels, of which our share was 209 million, or 22·1 per cent.

**Mr. Rowe:** Getting less all the time.

**Mr. Howe (Port Arthur):** Well, unfortunately, we had a short crop that year. In 1948-49 world trade was 992 million bushels, of which our share was 222 million, or 22·4 per cent. In 1949-50 world trade was 846 million bushels, of which our share was 236 million, or 27·9 per cent of the total. In 1950-51 total world trade was 933 million bushels, of which our share was 225 million or 24·2 per cent. In 1951-52 world trade that year went up to 1,065 million bushels, of which our share was 346 million, or 32·5 per cent of the total. In 1952-53 world trade was 958 million bushels, of which our share was 378 million, or 39·5 per cent of the total.

**Mr. Gardiner:** Going up all the time.

**Mr. Howe (Port Arthur):** And this is the interesting part for my hon. friends who have been declaiming tonight: In 1953-54, up to May 15, there were 496 million bushels that had entered into world trade; as of that date our share was 196 million bushels, or 39·5 per cent. In other words, so far as our share of world trade is concerned, we are riding at the peak.

**Mr. Argue:** Does the minister have the figures broken down for the period beginning at the first of this year?

**Mr. Howe (Port Arthur):** Month by month, do you mean?

**Mr. Argue:** No, the percentage. The minister gave the over-all trade in wheat for this crop year to date. Has he the figures showing our percentage in the total world trade for a recent month?

**Mr. Howe (Port Arthur):** Well, this is from July 1, 1953 to May 15, 1954; do you require any more recent than that?

**Mr. Argue:** Has the minister a four-month period? Has he the figure for the last four months, or for the last month or two?

**Mr. Howe (Port Arthur):** I have said many times in this House of Commons that export figures for one month indicate very little. I have seen people use those figures in an election, and before the election was over they were sorry they had used them, because the next month was quite different.

**Mr. Argue:** Is it not true that the trend is down?

**Mr. Howe (Port Arthur):** "The trend is down"—what? We are riding at the highest proportion of world trade we have had in the last ten years.

**Mr. Argue:** Pretty small trade.

**Mr. Howe (Port Arthur):** "Pretty small trade", do you say? But this year every country had a good crop; we cannot control that situation.

Now, it is suggested that we are losing our position in the United Kingdom. Well, official statistics published by the United Kingdom show the following imports of Canadian wheat as compared with wheat from all other sources for the period August 1, 1953 to April 30, 1954. I shall go back, first, to 1951-52. For those nine months in that year Britain imported 2,949,155 long tons, of which Canada's share in that year was 1,820,273 long tons, or 61·7 per cent of all imports. In the same period in 1952-53 Britain imported 2,487,482 long tons of which Canada supplied 1,565,969, or 63 per cent. In 1953-54, up to April 30 Britain imported 2,521,680

long tons, of which Canada supplied 1,545,949 long tons. Thus we supplied for that period 61·3 per cent of the total imports, as against 38·7 per cent for the rest of the world.

I have shown, I think, that not only have we held our position in world trade, not only have we held our percentage at the highest level we have enjoyed in the last ten years, but we have also maintained very close to our highest percentage of participation in the British market, that is, 61·3 per cent of all the wheat imported into Britain.

Well, now, why did this cut in prices come about? I would think, from the speeches I listened to tonight, that there is some magic in this figure of $1.88½ for Vancouver and $1.82½ for Fort William. Why are these any more impressive than the figures we had eight or nine months ago? At that time wheat was selling around $2, then $1.98, $1.96, $1.95 and finally it got down to $1.88, and we held it there for some time. Why not hold it there forever? Well, unfortunately we are dealing in a very competitive world. The wheat trade of the world used to be in the hands of governments. That is not the situation to nearly the same extent today. I suppose over 50 per cent of the wheat that enters into the world trade is now bought by private buyers. Those private buyers buy their wheat as cheaply as they can, on the basis of quality. It was found by the United States and by ourselves that our prices were becoming out of line with those being quoted, particularly by southern hemisphere countries which have just harvested their crops, and are active competitors in the world market.

It became a question as to whether we would hold an umbrella over those countries and be content to stand by until they sold their crops. It is the feeling of both North American countries that neither of us can afford to do that in the present situation. The matter was discussed. The facts were agreed upon as to competition in world markets. Each country retired to make its own decision as to what it would do in regard to that competition. The United States moved first and decided that their situation warranted a cut of more or less 10 cents. It was not an even cut of 10 cents because the various delivery points were cut to varying degrees. Our board, in the light of the discussions in Washington and in the light of the action taken by the United States, decided that a cut in the top grades of 10⅛ cents a bushel was warranted at the time to make Canada competitive.

We have been told that that action was a tragedy to the farmers; that we should have held the price. Well, we could have held the price. The only trouble is we would not have sold very much wheat at that price. I think most sensible people know that you have got to balance your idea of price against your desire to get rid of the product. If you are satisfied to hold the product you do not need to lower the price. If you expect to sell in a competitive world, the price must be competitive with prices offered by other countries. That, I think, is the situation today.

It was felt that an abrupt drop was better than the kind of drop that falls away a cent a day or a cent or two cents a week, because once the abrupt drop is made the buyers have some confidence that the price is the price that will be maintained for a considerable period, and that the slowing down of purchasing that results from a steady lowering of prices will not result from the abrupt adjustment that has taken place within the last few days.

I could go on and speak of our policy, but I am sure it is unnecessary. But nevertheless I would point out that the policy on payments is that an initial price be fixed at the beginning of the season, and that deliveries of grain in the country be paid that initial price. That has been the policy. The present initial price has been $1.40 basis No. 1 northern for several years, and that is the initial price today. It has been said here that there is no floor under wheat. What more effective floor can there be than an outstanding offer to pay on the basis of $1.40 at terminal delivery point when wheat is delivered at the country elevator?

**Mr. Argue:** Can the minister say whether that same floor will be continued beyond August?

**Mr. Howe (Port Arthur):** I was offered inducements to forecast the future a few moments ago, and my hon. friend did not produce his inducement. I think now I will do no more forecasting while I am speaking here tonight.

**Mr. Argue:** You would not dare make this one.

**Mr. Howe (Port Arthur):** That is the policy. It is contrasted with the policy of the United States, and some strange statements were made about the policy of the United States. We are told that there the farmer is given parity prices. Well, that is hardly the situation. We are told that the difference is that in Canada the wheat board does not own the wheat; whereas the United States government owns the wheat.

In the United States private grain can be delivered into an approved storage. The

farmer can borrow against that grain 90 per cent of parity which, as I understand it, is $2.21 a bushel. In other words, he can borrow 90 per cent of parity and he can hold that loan as long as he likes. If wheat goes above the loan price he may withdraw his grain from loan and deliver it into the market. In other words, the United States government does not own that grain for a considerable period. However, there is a period when, if the grain is not reclaimed, it passes into the possession of the government.

**Mr. Rowe:** What do they do with it if the price goes down?

**Mr. Howe (Port Arthur):** It is not a recoverable loan, and if it is left on loan longer than the loan period it then passes into the hands of the government. The situation in Canada of course is just the opposite. The farmer delivers his grain to the country elevator, delivers it to the wheat board and into the ownership of the wheat board. The wheat delivered to the country elevator in Canada, for which an advance has been paid, is the property of the wheat board, and it can be disposed of as the wheat board may determine.

It has been suggested that there are other methods of dealing with surpluses. Well, I remember one method very well. I am sure the Leader of the Opposition had it in mind when he suggested that there were other methods of dealing with surpluses, because there was a big surplus in the early 1930's. How was that dealt with? Well, the government for the first time entered into the wheat picture to protect the producer, and Mr. McFarland was appointed the agent of the government to buy wheat in the open market in quantities that would support the prices that the farmers would receive by marketing under the open market system. The Conservative government of that day operated that policy for a while and he bought a good deal of wheat. I do not know whether the funds were cut off or what the reason was, but I remember the terrible day when the price of wheat fell to 38 cents a bushel in store Fort William. That was about the blackest day the farmer ever knew, and that was in 1932 under the support policy of the Conservative government of that day.

However, that was succeeded in 1935 by the wheat board, and the wheat board was the creation of the Conservative government of that day. The original legislation brought down provided for a compulsory wheat board, and I may say that the government of that day was about as strong numerically as the government of this day.

**Mr. Rowe:** No.

**Mr. Howe (Port Arthur):** Pretty close to it. They had a huge majority.

**An hon. Member:** Were you here?

**Mr. Howe (Port Arthur):** No, but I was a very interested spectator because I was earning my living from building grain terminal elevators in those days. That bill was introduced in the house in 1934 but it seems that perhaps the government of the day were talked out of their position—

**Mr. Fleming:** By the Liberals?

**Mr. Howe (Port Arthur):** Yes, the Liberals had some very able men then, as we have on the Liberal side today. But I am sorry to say the government of that day was not very firm in its convictions and the bill was watered down with the introduction of a voluntary pool, and it was that voluntary pool, established under legislation passed in 1935, which this government inherited when it came into office in the latter part of that year. Well, after all, the only guide to the future is the past, and I think when the Conservative party talk about how to handle a surplus problem in wheat the only guide one has is how they handled the surplus problem they encountered during their last term of office in this Canadian parliament. I think the policy I have discussed today, which we all understand and which is known throughout the west, will compare very favourably with the policy which was adopted by hon. gentlemen opposite to handle their surplus problem which was far less difficult than the problem facing us today.

**Mr. Harkness:** What did you people do after coming in in 1935? You had a fire sale.

**Mr. Howe (Port Arthur):** We cleaned up the pool and after we had cleaned house the prices paid to the producers rose steadily.

**Mr. Rowe:** They were at the lowest point in history.

**Mr. Howe (Port Arthur):** The lowest point in history was in 1932 and I remember it well. The price was 38 cents a bushel.

**Mr. Gardiner:** And 26 cents on the farm.

**Mr. Rowe:** I do not want to interrupt the minister because his speech is very interesting and he is revealing a little bit more of the information on policy for which we have been asking. But a short time ago the minister mentioned during the course of his remarks that if we are going to sell wheat we must be competitive. Are we to take it from that it is government policy to sell wheat in competitive world markets regardless of the world price?

**Mr. Howe (Port Arthur):** We intend to be competitive. We think we have some control over the competitive situation. The North American supplies are the largest in the world and I do not think we in North America need panic if one country in another part of the world decides to cut its price below ours. It is almost inevitable that we in North America will hold some kind of blanket over the smaller exporting countries.

**Mr. Harkness:** How do you intend to do it? Will you do as you did in 1935? Will you throw it on the market?

**Mr. Howe (Port Arthur):** What market?

**Mr. Harkness:** The world market.

**Mr. Howe (Port Arthur):** We did not do that.

**Mr. Harkness:** Your party did.

**Mr. Howe (Port Arthur):** But prices were very much better after we took over. I will give you the figures, if you like. I have all sorts of figures here.

**Mr. Macdonnell:** Do not screen the figures.

**Mr. Howe (Port Arthur):** When my hon. friend from eastern Canada starts dreaming about prices we get some funny results.

**Mr. Rowe:** The figures are not so important as the principle.

**Mr. Howe (Port Arthur):** Well, I will give the figures. You asked for them.

**Mr. Rowe:** No, I asked for the principle.

**Mr. Howe (Port Arthur):** My hon. friend begins to take interest when? I suppose about the thirties. Does he?

**Mr. Rowe:** I was interested a long time before that.

**Mr. Howe (Port Arthur):** We will start with 1927. That was a good year. These are farm prices: in 1927-28—and these are bureau of statistics figures—the price was 98 cents per bushel on the farm; 1928-29 it was 78 cents a bushel on the farm; in 1929-30 it was $1.03 on the farm; in 1930-31—I guess this must have been after the election—it was 47 cents a bushel on the farm; in 1931-32 it was 37 cents on the farm; in 1932-33 it was 34 cents on the farm—that was a great year and that figure was the average price on the farm for wheat; in 1933-34 it was 47 cents on the farm; in 1934-35 it was 60 cents on the farm; and then, what was the year we had the fire sale?—1935-36; the average price for 1935-36 was 60 cents; in 1936-37 it was 92 cents and in 1937-38 it was $1.03.



**Mr. Argue:** That is the year you sold it to the farmer when there was a crop failure. You sold it to them for seed.

**Mr. Howe (Port Arthur):** Well, one would think that the prices must have got better when the government changed.

We have had several solutions offered for this problem. I think perhaps the most fantastic one is that by the hon. member for Assiniboia who deals in fantastic ideas. We are members of the international wheat agreement and we are partners with, I think, 48 other countries in that agreement, but in spite of that the hon. member suggests we have several other agreements. First, he would have an agreement with the United States to sell at the same price.

**Mr. Argue:** Co-operate.

**Mr. Howe (Port Arthur):** Co-operation, yes, but it must be an agreement and no nonsense about it. Then next he suggests an agreement with the United Kingdom and that would be a special agreement under which we would supply wheat to the United Kingdom and, I suppose, as an inducement we could give them a lower price. Is that it? I think that after you had made these three agreements you would be a little confused as to who was agreeing with whom. But in any case it is a fantastic idea and I shall not pursue it.

**Mr. Argue:** You were pretty proud about the United Kingdom agreement when you had it.

**Mr. Howe (Port Arthur):** But now we have other agreements.

**Mr. Argue:** As long as your government signed it you were proud of it, but when someone else suggests it then the idea is fantastic.

**Mr. Howe (Port Arthur):** All right, but one agreement at a time. Three at one time are too many. Then we have the old perennial that we should sell our wheat for sterling. That is a very good idea except that I do not know of anyone who wants to buy our wheat for sterling. The United States has been proposing the sale of wheat in local currency and I know only of two sales which have been put through on that basis. One was to Japan and the provision in that case was part gift and part sale. The part sale was conducted in yen which was to be used for the support of the United States army in that country. The other was a sale to Spain and part of that sale is to be paid for in pesetas and the pesetas are to be used in constructing aeroplane bases in that country.

**Mr. Rowe:** Is there one with West Germany?

**Mr. Howe (Port Arthur):** No, they sell for dollars to West Germany. Germany is practically a hard currency country today. Any country can apply to the United States for the purchase of wheat and for payment in the local currency, but they do not seem to do that. The reason is that a debt in local currency is just as difficult for most countries as a dollar debt and people prefer to trade in the currency of the country where the purchase is made.

Now, there is another fallacy, namely, that there are millions of starving people in this world who would be glad to get the wheat if someone gave it to them. I wish people who make that statement would just tell me where those people are and how we can get wheat to them. Pakistan had a bad time and the United States and Canada helped them. We gave a certain amount of wheat to Pakistan against Colombo plan funds. The United States I think gave a very big quantity of wheat. What happened? Pakistan was just not able to take all the wheat that the United States offered them and has not taken it to this day. Why? Because they could not put it into consumption.

Everybody suggests that India is a country that would be delighted to take gifts of wheat. India happened to have very good crops last year. The monsoons came at the right time. They have not been purchasers of wheat except to a very small extent and then mostly for milling and reshipment. They are not needing wheat as a gift from anybody and would not take it if it was offered.

Those are the areas most often spoken about as being the possible recipients for great quantities of wheat to feed starving people. I do not know of any. If my hon. friend knows of a place, I think we would consider very carefully helping out starving people wherever we find them; but I do not know where they are. I wish my hon. friend and other hon. members of this house who keep referring to the fact that there are starving peoples who would be glad to take large quantities of surplus wheat if we were willing to give it away would just remember these facts.

After all, the wheat trade of the world is one of the most ancient trades of all. Wheat has been moving between countries for, I suppose, a thousand years or more. Certain practices in the trade have developed, and those practices are just as good today as they were at any other time. Most countries prefer to deal in wheat as they have always dealt in it, namely, to buy it where they can buy it most cheaply on the basis of quality and to pay for it in the currency of the country that supplies the wheat. Until I hear of many more sales in local currencies or of many more countries asking for the gift of wheat, I shall continue to believe that the methods of disposing of wheat being followed by the Canadian wheat board are those that are acceptable to our customers in all parts of the world.

As will have been noted from the figures I quoted for world consumption, world consumption is substantially down this year. Why? Because almost every country in the world had a bumper crop of wheat. Countries that have never exported previously have become exporters of wheat this year. Sweden has been a substantial exporter of wheat, as was Turkey. France has been exporting considerable quantities of wheat. France has been exporting more wheat than usual, although France in some years is an exporter and in other years is an importer. It is a country that is almost in balance of production against consumption.

We have had an unusual year and, of course, we on this continent harvested our third greatest crop. It is a problem we have to deal with. It has been said that the producers in the west are having an extremely tough time because they cannot deliver their wheat. May I point out that they are delivering the normal quantity of wheat, or more than the average of the past ten years.

**Mr. Castleden:** Their production is almost twice as large.

**Mr. Howe (Port Arthur):** I know their production is great; and if they could market it all they would have twice as much money as they have now. All I am pointing out is that they are marketing the normal quantity of wheat and they are receiving the normal income averaged over the last ten years.

**Mr. Castleden:** Is it not true that at the present time the figures are about 170 million bushels short of what they were last year?

**Mr. Howe (Port Arthur):** I know. Last year was an extraordinary year. I have read the figures. It was the greatest marketing year that this country has ever seen. We never before sold nearly as much grain in a year as we sold last year. I wish the world consumption of wheat every year would permit us to sell that quantity of grain as our share of world markets. Unfortunately the number of bushels that make up our share of the world market depends on the over-all size of the world market. This year the total amount of wheat entering world markets is much smaller than it was last year.

As I say, we had representatives of western Canada in Ottawa at the agriculture

committee. I took that opportunity to have a talk with each of them in order to find out whether, in his opinion, there was a need for supplementary income in western Canada. Some of them had taken a poll among their locals and were able to give me the result of the poll. The results of the polls that were taken showed that a small percentage—I think it was 1 per cent in the case of Saskatchewan—reported a need for supplementary financing.

**Mr. Argue:** May I ask the hon. gentleman a question at that point?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Argue:** Was not the discussion based upon a loan with an interest rate of 5 per cent or 6 per cent?

**Mr. Howe (Port Arthur):** We were discussing a loan; yes.

**Mr. Argue:** The farmers already have more debt than they can handle; they do not want any more.

**Mr. Howe (Port Arthur):** A farmer who worries about interest rates is not short of necessities, at any rate. A man in dire need does not worry about interest rates.

**Mr. Argue:** He may not be starving when his granaries are full of wheat, but he is short of everything else.

**Mr. Howe (Port Arthur):** In any event, I have described what the situation is. The policy of the government and of the wheat board is going to be to drive ahead and to make sure that we hold our share of the market. I do not think we can increase it very much. I think that a share of about 40 per cent of the grain entering into the world wheat trade is about all that Canada can expect. It is the top share that it has been able to get in any year, and there have been years when our share has been only a little bit more than half of that proportion. However, we are going to fight to hold that proportion. If it is necessary to cut the price again in order to hold that proportion, I can assure you, Mr. Speaker, that we are not going to lose markets for wheat because we make a fetish of $1.78½ for Vancouver and $1.72½ for Fort William and, by making a fetish, lose markets for substantial quantities of wheat.

**Mr. Argue:** And the farmer takes the rap.

**An hon. Member:** Make your own speech.

**Mr. Argue:** You helped me make mine so I am helping you make yours.

**An hon. Member:** You needed help.

**Mr. Deputy Speaker:** Order.

[Mr. Howe (Port Arthur).]

**Mr. Knowles:** What is the difference between driving ahead and R. B. Bennett's blasting?

**Mr. Howe (Port Arthur):** We do not blast; we just hold what we have. We try very hard to do that. We have customers among the countries of the world. We know about the proportion of Canadian wheat that those countries are accustomed to take. We watch them closely. If they are not buying from us when our turn comes, we make inquiries to find out why. If it is a matter of price, that is one factor which, added to other factors, may indicate to the wheat board that a cut in price is necessary.

Those are the facts of life. That is the policy that the wheat board will follow. It is the purpose of the board to be competitive. Anyone who has tried to hold wheat off the market for a period in this country has headed for disaster. If proof of that statement is needed, I might refer back to the period from 1930 to 1935, which started with the holding of wheat off the world market.

**Mr. Rowe:** Mr. Speaker, in view of the fact that the minister referred back to 1930 to 1935, I should like to refer back to a little bit more recent date when he insisted on $2.05 a bushel for wheat with regard to the United Kingdom market. From what the minister has just now said, surely we are to take it that this new policy is an abrupt change, a right-about-face, from the time when you held out for $2.05 with the United Kingdom. According to the statement you have just made tonight, you are going to sell wheat even if you have to cut the price further, and you are going to meet world competition and sell wheat wherever you can sell it, even though you have to reduce the price again.

**Mr. Howe (Port Arthur):** Mr. Speaker, I am very glad my hon. friend brought that up because I intended to touch on that—another fallacy. My hon. friend likes to bring up the fallacies and it gives me a chance to straighten out his ideas regarding the situation. When the delegates from the 42 importing countries and the 4 exporting countries met in Washington to revise the wheat agreement Canada was represented as an exporter. The purpose of the meeting, among other things, was to determine maximum and minimum prices for a new agreement. The United States took a very extreme view. I believe they started by asking for a maximum price of $2.50. The importing countries asked for a maximum price of $1.80.

Canada believed that both these were extreme and our efforts were largely devoted towards bringing the United States down to

a more reasonable view of a maximum price as well as attempting to bring the importing countries up to a more realistic price. After a great deal of negotiation 41 of the 42 importing countries agreed to accept $2.05. It was not Canada's price. It was a compromise between all the exporters and all the importers with Canada lending her best offices to bring about a meeting of the minds. After that meeting of minds was arrived at the United Kingdom announced that it was not prepared to sign the agreement. That country said that it would not go beyond $2.00. All the other 41 importing countries agreed to the maximum price of $2.05. Consequently at that stage the only question was whether Britain would or would not sign the agreement setting a price of $2.05 and Britain decided not to sign.

However, I point out that that was the maximum price. There was also a minimum price fixed, the minimum price being $1.55. The assumption is that if we have maximum and minimum prices there is an area between the two which is a trading area, and that is where the price of wheat is today. It is below the maximum and above the minimum, about half way between the two at the present time, and under conditions of surplus supplies in the exporting countries it is my opinion that it is a reasonable area within which the present price should be established.

My hon. friends can talk about maximum prices as though that meant something more than the term implies. It is true that there was pressure from the importing companies which kept the price at the maximum for a number of years. That pressure does not exist today. The pressure, if any, is from the exporting countries which are seeking to reduce their surpluses. But the average price of Canadian wheat today is $1.75½. In other words, it is about half way between the maximum and minimum prices. The price at Fort William is $1.72½ and the price at Vancouver is $1.78½, and about half the grain is going to the west coast and half to the east coast. The price of $1.75 is not a bad split between $1.55 and $2.05. That is the price today. There is room for movement in either direction. A bad crop in one of the exporting countries, even in Canada, would probably move the price up, and another bumper crop would very likely move it down. But we have that area between $1.55 and $2.05 for trading before either the maximum or the minimum prices of the international wheat agreement become effective. I think that I have now explained government policy and exposed the fallacy of the ideas put forward by the opposition, and I will resume my seat.



**Mr. Gardiner:** If I may be permitted to do so I should like to make a correction resulting from a little exchange back and forth across the floor of the house when the hon. member for Assiniboia (Mr. Argue) was speaking. He made one correction and I want to make another. I interjected at that time that parity was $2.21. I just want to say that $2.21 was 90 per cent of parity.

**Mr. Rowe:** You are still wrong.

**Mr. Gardiner:** In January, 1954.

**Mr. J. G. Diefenbaker (Prince Albert):** Mr. Speaker, the speech just delivered by the Minister of Trade and Commerce (Mr. Howe) outside of its historical review, in parts inaccurate and in other parts incorrect, leaves little hope for the Canadian farmer in the position in which he is today. I cannot understand why the minister did not tell the house and the country something of what has taken place between Canada and the United States with reference to this matter. There have been several meetings apparently designed to prevent or at least to postpone a price war among the wheat-producing nations of the world. There was a meeting in March between the cabinet ministers of Canada and the United States. What took place there? With the exception of a slight amount of information that the government has deigned to give to the house, there remains a blackout as far as Canadians are concerned.

Only yesterday the Australian minister for commerce and agriculture forecast a situation that should have been dealt with this evening by the Minister of Trade and Commerce. He said that the slashing of prices is apt to continue and he goes on to point out that there could easily be a repetition of the depression story when a similar price war forced wheat below two shillings. What Canadians would have liked from the Minister of Trade and Commerce was not the rather jovial speech he delivered this evening, not as replete as usual with optimistic prophecy but nonetheless made in a jovial way; they would have liked him to give them hope, but what he pointed out may well happen. Further reductions may take place in order to meet world competition.

That can lead only to a very serious position for agriculture. What Canada would have liked to hear from the minister tonight is something of what the Canadian government has done with respect to pointing out to the government of the United States the terrible danger to the nations today of any policy in the nature of price cutting at this time which inevitably will cause difficulty and stress and create a dangerous situation in agriculture within our country.

*Wheat—Marketing of Surplus*

Can we get any information? Yesterday I tried to ascertain what happened last week when there was a meeting in Washington between Canadian and United States representatives. The Prime Minister (Mr. St. Laurent) said he was not there and apparently did not know. The Minister of Trade and Commerce said that he was not there. If there ever was a conference where nobody was there and yet much apparently was decided it was that of ten days ago in Washington.

What Canadians are asking for today, what the western farmer is asking for today—

**Mr. Abbott:** Everybody should eat more wheat.

**Mr. Diefenbaker:** —is something in the nature of a declaration by Canada with respect to the efforts it is making in reference to the United States to prevent anything in the nature of price cutting competition in wheat sales. But all we receive from the minister is a historical review of the thirties. Let me say this about the thirties. The Conservative party inherited exactly the same condition as prevails today as the result of world conditions, and a condition that arose while the Liberal party was in power. It is no use reliving that.

**Mr. Abbott:** You will not inherit this one, John.

**Mr. Diefenbaker:** What Canadians want to know is what is the government going to do? What is its policy? What we received tonight was a historical review that gave no hope and little future to the western farmer who has asked parliament today to let him know what the situation is.

On motion of Mr. Diefenbaker the debate was adjourned.

**Mr. Speaker:** The hon. member for Prince Albert moves that this debate do now adjourn. Before we adjourn I want to make a few observations at this time so that hon. members will consider them and perhaps give me their own views at a later stage. The amendment reads:

> This house is of the opinion that in view of the present grave situation in the matter of international wheat trading the government should make an immediate declaration as to its policy respecting the marketing of our Canadian wheat surplus.

Now is it an amendment to ask that the government make an immediate declaration of its policy? An amendment has a certain objective, and the objective is to alter the main question so as to help hon. members state their position on policies. Is it an amendment, even if the amendment to a motion to go into supply has not to be relevant, to ask that the government make an immediate statement of policy? Is it a parliamentary motion? That is the first question I should like to submit to hon. members.

The second question is this. I was away for a while looking over these amendments, and upon my return to the chair was informed that the Minister of Trade and Commerce (Mr. Howe) had made a speech. When he spoke a moment ago, what did he do? Even if that declaration of policy by the minister was not to the liking of hon. members, is it not a fact the minister has expressed the policy of the government because he is the spokesman with respect to these various matters, and according to the theory of cabinet solidarity he has spoken for the government. Has he not complied with the terms of this amendment? That is another point I should like to submit to hon. members for their serious consideration.

Of course when one considers that the amendment asks for a declaration of policy from the government, one could go a little further. After all the government, by the constitution, are the advisers of Her Majesty. They are the ones who are supposed to propose policy. Can we, by an amendment or by a decision of this house, force the government to declare their policy if they do not wish to do so? I have in my hand here a treatise on parliament by C. Ilbert who was a Clerk of the House of Commons in England and the author of several books. On page 111 of this particular book he says, under the title "administration":

> Parliament does not govern. Parliamentary government does not mean government by parliament. Once, and once only, in the course of English history has the House of Commons attempted to administer the affairs of the country through executive committees, and the precedent by the long parliament has not been followed.
>
> What is done by parliament, and especially by the House of Commons, is in the first place to secure that the King's ministers, who control and are responsible for the executive government of the country, shall represent and have the confidence of the party, or combination of parties, which commands a majority in the house, and in the next place to control the action of those ministers by means of questions and criticisms.

Now, is this a criticism? The amendment asks that the government declare a policy immediately. I submit these observations for the benefit of hon. members. Of course if the amendment is not in order, then the subamendment is not in order either.

**Mr. Knowles:** As a subamendment.

**Mr. Speaker:** Well, at the moment that is what we are considering. It is a subamendment. Considering that now the original question must be laid aside for the time

being, the amendment so to speak becomes a distinctive motion. The amendment to the amendment spells out a policy. The amendment was to the effect that the government should state its policy immediately. I consider that the policy has already been stated. Then the hon. member for Assiniboia (Mr. Argue) in his subamendment spells out what the policy should be. He says:

> . . . that the government should give consideration to including in such policy the provision of a floor price to the wheat producers of Canada at levels not less than the Canadian wheat board selling price, basis Fort William-Port Arthur on Friday, June 4, 1954.

Aside from other considerations if this amendment were in order, and if it were carried by the house, would it not have the effect of giving a direct order to make a public expenditure? On this point I refer hon. members to previous rulings which I ask them to consider. There is the ruling of Mr. Speaker Black on May 24, 1932, page 515 of the *Journals;* another by Mr. Speaker Glen on March 29, 1943, page 213 of the *Journals;* another one by the same Speaker on March 30, 1943, page 221.

As I said a moment ago, I am not making a ruling at this moment but I am asking hon. members to seriously consider the observations I have made. When we resume the discussion of these amendments, we can hear the views of hon. members. If I am wrong in my contention, I can take into consideration the remarks that might be made by experienced hon. members of the house, and I would be very pleased to revise what I would otherwise consider to be perhaps a quite sound ruling.

## BUSINESS OF THE HOUSE

**Mr. Harris:** We shall take the third reading tomorrow; then the Department of Trade and Commerce, national revenue, secretary of state, fisheries, mines and technical surveys, and defence production.

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

83276—364½

# HOUSE OF COMMONS

**Thursday, June 10, 1954**

The house met at eleven o'clock.

## BUSINESS OF THE HOUSE

AMENDMENTS TO MOTION FOR COMMITTEE OF SUPPLY—SUGGESTED PROCEDURE FOR DISPOSAL

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I think this may be the appropriate time to mention the matter because, in the ordinary course of events if Your Honour were giving a ruling, it would be at this time that you would give it. I want to point out that with regard to the question that was raised just before the house rose last night as to the possibility of the motion being in order, if that motion stands—

**Mr. Speaker:** Order. May I inform the Leader of the Opposition that that matter cannot be taken up at this time. The order of the house to go into committee of supply and the debate on the amendment and the amendment to the amendment will be resumed when it is necessary for the Speaker again to put the motion to go into supply. That will be perhaps on Monday, Tuesday or Wednesday. Today, however, that debate will not be resumed. In any event, this would not be the time to discuss the observations I made last night in connection with the amendment. That discussion will have to take place when the order is read for resuming the adjourned debate on the motion to go into supply and on the amendment and the amendment to the amendment.

**Mr. Drew:** Mr. Speaker, I was about to point out that under rulings that have been made the fact that this matter remains in a state of suspense conceivably could have some effect on the scope of the debate under the Department of Trade and Commerce which, we have been informed, is to be the first department called today. I was merely suggesting the possibility that if Your Honour had reached a decision, that decision conceivably could have some bearing on the breadth of the remarks that could be made on the first item of the Department of Trade and Commerce. If Your Honour feels that that matter should stand, then it would be necessary for those who speak to guide themselves accordingly.

**Mr. Speaker:** As I said a moment ago, it is not a matter of the Speaker feeling that it should stand; it is because I cannot deal with the matter otherwise. I cannot deal with observations made upon an amendment until the order for resuming the debate on that particular subject is called by the clerk assistant. As to the fears expressed by the Leader of the Opposition that perhaps discussion might be curtailed on the first item of the Department of Trade and Commerce in the committee to supply, may I say that I do not think he should entertain those fears. As I recall it, on the first item of a department in supply the discussion is always allowed to cover all the administration of that department.

**Mr. Drew:** Under those terms, Mr. Speaker, the situation is entirely satisfactory in any event.

[*Later:*]

**Mr. Speaker:** There is another point that I should like to take care of and that has to do with the remarks that were made at the beginning of our sittings today with respect to the amendment to the motion to go into supply which is on the order paper for Monday next. Upon reflection, I see now why the matter was brought up by the Leader of the Opposition. We are to go into committee of supply without question put, and the first department to be called is trade and commerce, the first item being administration. Under that first item of course comes perhaps the matter of wheat. Yesterday we had a debate initiated with respect to wheat on the motion to go into supply, which was adjourned last night, and which appears on the order paper for Monday next, item No. 3.

I do not want the house to be misled by what I said earlier. It is true that on the first item of any department in supply a general discussion of the department's activities is allowed. However, it would seem to me that the amendment moved to the motion to go into supply yesterday is blocking a discussion with respect to wheat today in the committee of supply on the first item of trade and commerce. Citation 246 of Beauchesne's Parliamentary Rules and Forms says:

> Besides the prohibitions contained in standing order 41, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:
>
> (d) anticipate discussion on a motion set down for future consideration.

Anyone dealing with wheat would certainly be anticipating discussion of the motion which is set down on the order paper for Monday next.

Furthermore, hon. members are limited by the terms of standing order 40(2), which is to the effect that one must not repeat arguments of his own or arguments used by others. I just want to point out that there is this difficulty at this stage of the proceedings in connection with the subject of wheat.

**Mr. Drew:** Before we pass from that, may I say that Your Honour has apprehended the very difficulty that I anticipated. I would point out that it is not the choice of the opposition that we broke from the motion that was before the house to discuss trade and commerce.

I would point out that by the device of halting a debate before it is concluded and then calling a department which embraces the subject matter of a motion of that kind we could find ourselves denied the opportunity to discuss it at all, that is further than the discussion which has already taken place, because, as I pointed out earlier, Your Honour did indicate some uncertainty as to what was in your mind. I am prepared to argue that point because I submit the point is in order. Nevertheless, Your Honour indicated quite clearly last night that you thought the motion might be out of order. In that event we might find ourselves foreclosed from the possibility of discussing an extremely important aspect of the Department of Trade and Commerce, and then find when we returned on Monday that Your Honour had come to the conclusion that he thought it was not in order and that the very motion which is now being discussed on this subject is in fact not a valid barrier at all.

I would repeat that the choice by which that debate was suspended and we now come into trade and commerce was not our choice. I am not suggesting for one moment that the course which has been followed is one that was designed for that purpose. I would point out, however, that the government, which has nothing to do with that, could by that very method interfere with the ordinary discussion of a subject before the house and I submit that while hon. members might well refrain from the detailed discussion of this subject which has already come forward, that if we talk on trade and commerce we can hardly take the time to deal with it in its all-embracing aspects without considering the impact of the present wheat situation upon trade and commerce in Canada.

I do submit, Mr. Speaker, that if your ruling were to be that the mere introduction of the subject of the wheat surplus were to be suspended or could not be proceeded with because of the adjournment of that motion, then some course should be followed which would open the door to discussion because we would be having a discussion on the first item on the Department of Trade and Commerce under very unsatisfactory conditions. It must of necessity be with the consent of the house, but because of the importance of this matter I would be prepared to withdraw the motion we were debating yesterday for the purpose of overcoming any difficulties of this kind.

**Mr. Coldwell:** Mr. Speaker, may I say just a word or two on this? On Tuesday on the opposition side of the house there was a general feeling that this was a matter of urgency and the Leader of the Opposition (Mr. Drew) and my colleague the hon. member for Assiniboia (Mr. Argue) both attempted to introduce a motion to that effect. We urged the government to vary the business but the Prime Minister (Mr. St. Laurent) could not see his way clear to do so. He said then, with respect to the urgency of discussing this matter, as reported at page 5624 of Hansard for that day:

> The most I would be prepared to suggest is that either when we move to go into supply at a time when that motion is to be debated or when we get into supply, the first department called be the Department of Trade and Commerce.

**An hon. Member:** Either.

**Mr. Coldwell:** Quite so. But he indicated that the matter of urgency was to be met when the first department was the Department of Trade and Commerce. We are in a bit of a muddle this morning regarding procedure, Mr. Speaker, but under the first item as a rule the discussion is very wide and I myself can see no objection to the house debating the wheat problem under the Department of Trade and Commerce and even concluding that debate, so that when we get back to a supply motion all that would have to be done would be to receive Your Honour's ruling on the amendment and the subamendment and if you so allow a vote can be taken at that time.

It seems to me, in the situation in which we are, that that would be the sensible thing for the house to do, but it is a matter for the house and yourself, Mr. Speaker, rather than for any individual in this house to decide as regards what is to be done. But I am making that suggestion to the house and to you, Mr. Speaker, because I believe that is a way out of the difficulty.

**Mr. Harris:** Mr. Speaker, I think the Leader of the C.C.F. party has explained the situation, as I understand it, quite clearly. In response to the desire of hon. members opposite that this matter might be debated at an early time the government did say it was going to call the Department of Trade and Commerce first on, I think, two successive days, giving them the opportunity when we got into supply. I presume hon. members are aware of the rule which provides that on Thursdays and Fridays we can discuss these matters without question put, and the opposition members have an option of taking whatever action they desire with that in mind. However, since all the hon. members who have spoken so far seem to be desirous of disposing of the matter the alternative presented by that hon. member would be acceptable to the government, that is if it is the desire of the house the amendment be now dropped so that it would not be called on Monday and we would agree to debate wheat or any other subject on this item. On the other hand, if the suggestion made by the leader of the C.C.F. party is adopted, that is that we debate the subject now by consent, and that there is to be no further debate on the amendments on Monday, then we are content.

**Mr. Speaker:** May I suggest to the acting leader of the government that although we can go into supply on Thursdays and Fridays without question put, what he could do is to suspend the standing order so that we can then go into supply with question put today and move that item 3 be taken and then I will by my ruling dispose of the two amendments, the main motion will carry, and we will go into supply.

I do not know if my point is well taken. We go into supply Thursdays and Fridays without question put although, if it was the wish of hon. members to have a debate on the motion to go into supply by suspending the provisions of the standing order, a motion could be made and we could have a debate on the motion to go into supply. If it is unanimously agreed that this be done then immediately I make my ruling and the two amendments are disposed of—and I take it that is the wish of hon. members—the motion could then be carried and I would leave the chair and the house could go into committee of supply on the Department of Trade and Commerce.

**Mr. Drew:** But Mr. Speaker, might I point out that if Your Honour put the question and the consent of the house were obtained then the difficulty we are discussing would be disposed of if my motion were withdrawn, though, of course, that would also require the consent of the mover of the subamendment. In that case there would be no problem before us.

**Mr. Harris:** Mr. Speaker, I have no way of judging what is in your mind but may I point out that if perchance your ruling was that the amendment and the subamendment were out of order then a further debate could continue on the motion to go into supply. I take it we do not wish that to occur. I think, as I have said before, that the other suggestions are agreeable to the government.

**Mr. Speaker:** Is it agreed that the Leader of the Opposition, by leave, withdraw his amendment? Does the hon. member for Assiniboia also wish to ask leave to withdraw his amendment to the amendment?

**Mr. Coldwell:** Mr. Speaker, may I say a word on this? I understand the proposal is that the amendment and subamendment be withdrawn. But the purpose of moving the subamendment was to divide the house on that subamendment, though if there was an opportunity to move the amendment and subamendment again there would not be the same objective. However, if the withdrawal means that there is to be no vote regardless of what Your Honour's ruling may be, then I could not consent to the withdrawal of the amendment because our subamendment was moved deliberately so that we might divide the house on a question which we believe is both important and urgent.

**Mr. Harris:** Then on that point, Mr. Speaker, I hope and believe that on Monday we may have only four or five items of legislation at the most, and if these items are passed before Wednesday night it will, of necessity, be necessary to bring in another motion to go into supply and another opportunity will then occur.

**Mr. Speaker:** I suppose we shall leave the matter at that for the time being and I will leave the chair for the house to go into committee of supply on the departments that were announced.

**Mr. Harris:** I think the hon. member for Rosetown-Biggar (Mr. Coldwell) has had his point met. I took it that if that statement was made, he would then consent to the withdrawal by the Leader of the Opposition (Mr. Drew) of his amendment and the withdrawal of the subamendment.

**Mr. Coldwell:** But, Mr. Speaker, even if we went into supply on two days next week there is no assurance that on the second day we would get precedence to move the amendment relating to wheat, particularly if already an amendment had been moved on the

same topic by, we will say, the official opposition. I do not think that I could agree with that procedure, Mr. Speaker.

**Mr. Speaker:** It is very simple, as long as hon. members are agreeable to having only one debate on the question of wheat.

**Mr. Coldwell:** Yes.

**Mr. Speaker:** You have it either in the committee of supply on the first item or you have it on the motion on which debate is announced to be resumed on Monday. Why not refrain from discussing wheat in the committee today and wait to continue the debate on Monday, a procedure which is the normal practice and which is fully in accordance with the rules?

**Mr. Coldwell:** Mr. Speaker, it seems to me that the easy way out of it is to have the debate now and to have some understanding among us that on Monday the vote will be taken and the debate will be continued on the minister's first item. That seems to me to be the sensible thing to do.

**Mr. Speaker:** For the sake of order and good business I believe that what must be done now is that the discussion on wheat or on whatever is covered by the amendment which is on the order paper, should not be anticipated at this time and that when we resume the discussion on Monday we carry on with the business as we should.

[*Later:*]

INQUIRY AS TO FURTHER LEGISLATION TO BE BROUGHT DOWN

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** In view of the fact that we are approaching the end of the session, may I ask the Prime Minister whether he can now inform the house if the bill to repeal the Yukon Quartz Mining Act and the Yukon Placer Mining Act, standing as No. 6 on the order paper, is to be proceeded with; also whether the Municipal Grants Act amendments are to be proceeded with. I should also like to know when we may anticipate knowing the nature of the proposed amendment to the Judges Act.

**Right Hon. L. S. St. Laurent (Prime Minister):** I understand that the first item mentioned by the Leader of the Opposition is not to be proceeded with at this session. Perhaps the Minister of Finance might answer the second question. What was the third question?

**Mr. Drew:** I would recall that the Prime Minister, in announcing legislation still to come forward about four or five weeks ago, mentioned an amendment to the Judges Act. I would simply point out that in the very nature of things amendments to that act call for certain inquiries from bar associations and other organizations interested in matters of that kind, and that if members are to give careful consideration to an amendment of that nature we should have the opportunity to see the bill between the time it comes into the house and is considered by the house on second reading.

**Mr. St. Laurent:** I can assure the Leader of the Opposition that we will have that in mind in connection with this measure.

[*Later:*]

**Mr. Drew:** I would point out that the Minister of Finance has not yet given the answer indicated by the Prime Minister in connection with the Municipal Grants Act.

**Mr. Abbott:** I would hope that the measure will be proceeded with. I know that the leader of the house is doing his best to facilitate completion of the matters which are on the order paper.

## THE ROYAL ASSENT

**Mr. Speaker:** I have the honour to inform the house that I have received the following communication:

Ottawa, June 10, 1954

Sir:

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, Thursday, the 10th June, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
J. F. Delaute,
Secretary to the Governor General.
(Administrative)

## TRADE

ITALY—ARRANGEMENT REGARDING CODFISH, CANNED SALMON AND SYNTHETIC RUBBER

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** Mr. Speaker, I wish to make an important announcement to the house. Wednesday evening a joint statement was issued in Rome by the Hon. Mario Martinelli, minister of foreign trade of Italy, and the Hon. Robert Winters, Minister of Public Works of Canada. This statement announced an arrangement between Canada and Italy whereby Italy has agreed to make dollars available for the importation of codfish, canned salmon and synthetic rubber. This arrangement was negotiated by Hon. Robert

Winters, following preliminary discussions carried on in Rome with Italian officials by Shirley G. MacDonald, commercial counsellor of the Department of Trade and Commerce.

Under this arrangement the government of Italy has agreed to make dollars available for the purchase during the period July 1, 1954, to June 30, 1955, of Newfoundland and Labrador type codfish valued at $2,500,000, Gaspe type codfish valued at $600,000 and canned salmon valued at $2,000,000. Provision for the sale of canned salmon was made possible by the lower prices for this product now being quoted in markets abroad. In addition, an initial quota for the importation of $500,000 worth of synthetic rubber has been established. This quota is over and above the considerable quantity of synthetic rubber for which quotas have already been established.

Codfish, canned salmon and synthetic rubber are among the most important Canadian exports to Italy. This new arrangement will place sales of these products on a firm and stable basis in the Italian market.

PORTUGAL—TABLING OF AGREEMENT

**Mr. Roch Pinard (Parliamentary Assistant to the Secretary of State for External Affairs):** Mr. Speaker, on behalf of the Secretary of State for External Affairs (Mr. Pearson) I wish to table three copies in French and three copies in English of a trade agreement between Canada and Portugal, signed at Lisbon on May 28, 1954.

**Mr. Donald M. Fleming (Eglinton):** Mr. Speaker, before you proceed with questions may I suggest that the trade treaty with Portugal, which was just tabled by the parliamentary assistant to the Secretary of State for External Affairs, might be printed as an appendix to our proceedings today so that it will be available to members.

**Mr. Speaker:** If it is the wish of hon. members it could be done. I am informed that the trade treaty with Spain was tabled yesterday and it was not printed in *Votes and Proceedings*. Is it the wish of hon. members that this one be printed in *Votes and Proceedings*? Is it agreed?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

**Mr. Fleming:** May I point out to the house that this was the course followed with the Japanese trade treaty a month ago. It was printed as an appendix to our proceedings. I suggest, if it meets with the approval of the house, that the same course might be followed with respect to the trade treaty that was tabled in the house yesterday.



**Mr. Speaker:** It is a rather long document. It seems to me that if it is the wish of hon. members to have these treaties printed in *Votes and Proceedings* we might as well print them all instead of only printing one every now and then. There was one with Spain and one with Japan. The one with Japan was printed in *Votes and Proceedings* and with respect to the one with Spain tabled yesterday no request was made then that it be printed in *Votes and Proceedings*. Now we have this one today, and according to the announcement of the Minister of Trade and Commerce there may be another one in the offing. I wonder whether it is the wish of hon. members to initiate the practice of having these trade treaties printed in *Votes and Proceedings*. If we do not want to do that, then why should we print one every now and then? That is my point. Why print one and not print them all? If there is no good reason to print them all, then what is the good reason to print one?

**Mr. Thatcher:** I do not think we should print any of them in the future. I think it is a waste of time and effort.

**Mr. Speaker:** It is to be further pointed out that at the present time the queen's printer, in order to provide the house with *Hansard* and *Votes and Proceedings* containing what must be included in *Votes and Proceedings*, has almost more work than he can take care of, and he performs almost a miracle by delivering *Votes and Proceedings* and *Hansard* every morning. I take it that there is not unanimous consent to have this document printed in *Votes and Proceedings*.

## QUESTIONS

DISASTER PLANNING, HOSPITALS

**Mr. Goode:**

1. Has any planning been done to prepare hospitals in Canada to operate under disaster conditions?
2. If so, what form has this planning taken?

**Mr. Speaker:** I understand this question was allowed to stand yesterday and that later in the day the reply reached *Hansard* and now appears there. Therefore question 6 should be declared today as having been answered.

**Mr. Martin:** I think there was a misunderstanding. I did say "answered" yesterday but my voice obviously did not touch the chair.

**Mr. Speaker:** I apologize to the Minister of National Health and Welfare. He has a clear voice and I should have heard him.

*Inquiries of the Ministry*

IMMIGRATION BOARDS OF INQUIRY

**Mr. Gagnon:**

1. How many cases have been considered by boards of inquiry of the immigration branch, since January 1, 1952?
2. How many were appealed?
3. How many persons were allowed to remain in Canada?
4. What are the usual reasons for deportation?

**Mr. Harris:**

1. 3,805.

2. 2,345.

3. 1,154.

4. The most common reasons for deportation are:

(a) criminal convictions;

(b) having become an inmate of an asylum or hospital for mental diseases, or having become a public charge in Canada;

(c) illegal entry;

(d) failure to comply with medical or other regulations governing admission to Canada.

## NATIONAL DEFENCE

CAMP IPPERWASH—INVESTIGATION INTO DISAPPEARANCE OF ARMY STORES

On the orders of the day:

**Mr. J. W. Murphy (Lambton West):** I should like to direct a question to the Associate Minister of National Defence. Could he give the house a report on the investigations that have been made into the alleged shortages at Camp Ipperwash? Have any arrests been made? If he cannot give a full report, can he tell us the amount of the shortages in dollars and cents?

**Hon. R. O. Campney (Associate Minister of National Defence):** I am not in a position to make an extended statement at the moment. The investigations are just being completed. I can only say that the reports in the press with respect to the losses involved are extremely exaggerated and even fantastic in the light of the facts so far ascertained.

**Mr. Murphy (Lambton West):** Have any arrests been made in connection with the investigation at Camp Ipperwash?

**Mr. Campney:** I am not aware of any having been made.

## EXTERNAL AFFAIRS

GENEVA CONFERENCE—REQUEST FOR FURTHER REPORT ON PROGRESS

On the orders of the day:

**Mr. J. G. Diefenbaker (Prince Albert):** I should like to direct a question to the Secretary of State for External Affairs. Would he give a report to the house as to the present progress in the Geneva conference? Would he also say whether the events of the last two or three days have given a rather optimistic outline to what is taking place there?

**Hon. L. B. Pearson (Secretary of State for External Affairs):** I have no reason to believe that the events of the last few days at the Geneva conference warrant any excessive optimism. There has been, as a matter of fact, very little progress made toward a settlement since I reported to the house. As to the reasons for that lack of progress, I should like to be very careful about what I say on a matter of this kind. Therefore, with the hon. gentleman's permission, I might make a very short statement on the question on the orders of the day tomorrow.

## LABOUR CONDITIONS

UNEMPLOYMENT—GREAT LAKES SHIPYARDS

On the orders of the day:

**Mr. J. H. Ferguson (Simcoe North):** In view of the fact that during the election campaign it was said, "Elect the Liberals and keep your shipyards busy in Canada", I should like to address a question to the Prime Minister and ask him if now is not the opportune time for him to produce that miracle and keep the shipyards of the great lakes busy because most of them are idle?

**Right Hon. L. S. St. Laurent (Prime Minister):** Mr. Speaker, I do not think we should attempt to renew the election campaign in the house at this time.

## NAVIGABLE WATERS PROTECTION ACT

RECOVERY OF COST OF MARKING OR REMOVING WRECK—SEAMEN'S SECURITY REGULATIONS

**Hon. Stuart S. Garson (for the Minister of Transport)** moved the third reading of Bill No. 471, to amend the Navigable Waters Protection Act.

**Hon. Milton F. Gregg (Minister of Labour):** I should like to take advantage of the opportunity to make a slight correction in yesterday's discussion when section 2 of this bill was being considered in committee of the whole. The Minister of Justice and I made the statement that when parliament approved the bill it was the intention of the government to re-enact the former great lakes seamen's security regulations, P.C. 2306 of May 2, 1952, in the same form as they existed up to May 31 of this year. As we stated yesterday it is the intention to do this.

I have since been informed by our legal advisers that it is necessary to provide a

minor additional section in the new regulations providing for the continuation of the seamen's cards and of the forms prescribed by the Minister of Labour issued and used under the old regulations. Provision also is to be made for the revocation of the old regulations. It is proposed that this additional section shall read as follows:

24 (1) A provisional or regular seaman's card issued under the great lakes seamen's security regulations, established by order in council P.C. 2306 of May 2, 1952 (hereinafter called the old regulations) shall be deemed to have been issued under these regulations, and a form prescribed by the minister under the old regulations shall be deemed to have been prescribed by the minister under these regulations.

(2) The old regulations shall be deemed to have been revoked and these regulations shall be deemed to have been substituted therefor, and the Interpretation Act applies accordingly.

The house will note that this does not in any way change the substance of the old regulations in any detail. My only reason for rising is that we made a firm declaration yesterday that there would be no immediate change in the old regulations.

**Hon. George A. Drew (Leader of the Opposition):** It is not my intention on third reading to extend the debate which has fully placed on record the opinions of hon. members concerning the effect of clause 2. I can only reiterate what was said yesterday, that clause 2 does not properly deal with the question of communism, disloyalty, sabotage or anything of that kind. It introduces a loose, improper, and in our opinon, a method of control inconsistent with our traditions. The fact that there was an order in council to this effect under the Emergency Powers Act, which came into being during the war emergency, does not in our opinion support the suggestion that the house should now give to the government in statutory form the power to make regulations, to decide what the penalty will be and to decide how the freedom of the individual will be dealt with.

We have made it clear that we are strongly of the opinion that proper laws, clearly defined, should be available to deal with this situation where people are seeking to undermine our free system in Canada. We believe, however, the freedom of any individual should at no time be threatened by star chamber proceedings or by proceedings which are of an undefined and undisclosed nature. We have placed that on the record. We believe the principle inherent in this piece of legislation is vicious. What justification there may have been for the order in council under the Emergency Powers Act, and which was apparent during the war emergency, I submit that there can be no support for the enactment in clear statutory form of these loose powers so long described as the King Henry VIII clause. This is a reversion to a practice that disappeared 400 years ago. We should not revive it today in specific form.

I therefore move, seconded by the hon. member for Prince Albert (Mr. Diefenbaker):

That the bill be not now read a third time, but that the same be referred back to the committee of the whole with instructions that they delete clause 2 thereof.

**Mr. Angus MacInnis (Vancouver-Kingsway):** Before the question is put, I just want to say that I shall have to support the amendment. I support the amendment for the reasons given by the Leader of the Opposition (Mr. Drew) and the reasons that I mentioned yesterday. Neither the Minister of Justice (Mr. Garson) nor the Minister of Labour (Mr. Gregg) explained clause 2 of this bill. All the explanations they made in the house yesterday were in connection with screening and there is nothing about screening in this clause. What this clause provides for is penalties for the violation of any regulation made under this provision in the regulations that were in the order in council, a copy of which the Minister of Justice was good enough to pass over to me yesterday, P.C. 2306 of May 2, 1952.

The penalties are imposed for a breach of any regulations the governor in council may see fit to pass by order in council. I do not believe this house should accept a bill of that kind.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Aitken, Miss | Fulton |
| Argue | Gillis |
| Balcer | Green |
| Barnett | Hahn |
| Bell | Hamilton |
| Blackmore | Hansell |
| Blair | Harkness |
| Brooks | Hees |
| Bryson | Herridge |
| Cameron (Nanaimo) | Holowach |
| Campbell | Howe (Wellington-Huron) |
| Cardiff | Johnson (Kindersley) |
| Casselman | Johnston (Bow River) |
| Castleden | Jones |
| Charlton | Knight |
| Churchill | Leboe |
| Coldwell | Lennard |
| Diefenbaker | Low |
| Dinsdale | Macdonnell |
| Drew | MacInnis |
| Dufresne | MacLean |
| Ellis | McBain |
| Fairclough, Mrs. | McCullough (Moose Mountain) |
| Ferguson | McGregor |
| Fleming | |
| Fraser (Peterborough) | |

McLeod
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Pallett
Patterson
Pearkes
Quelch
Rowe
Shaw
Small
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
White (Middlesex East)
Winch
Yuill
Zaplitny—78.

NAYS

Messrs:

Abbott
Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Blanchette
Boisvert
Boivin
Bonnier
Boucher (Restigouche-Madawaska)
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Carter
Cauchon
Cavers
Clark
Cloutier
Cote
Crestohl
Croll
Dechene
Decore
Demers
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrancois
Legare
Lesage
Lusby
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIvor
McMillan
McWilliam
Maltais
Mang
Martin
Masse
Matheson
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nixon
Pearson
Philpott
Picard
Pickersgill
Pinard
Pommer
Pouliot
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Roberge
Robichaud
Robinson (Simcoe East)
St. Laurent
Schneider
Simmons
Sinclair
Smith
Stuart (Charlotte)
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Wood—135.

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

## BUSINESS OF THE HOUSE

### RESUMPTION OF PROCEEDINGS OF COMMITTEES OF THE HOUSE

**Mr. Speaker:** Before the next order of business is called may I say the Clerk informs me that there were three standing committee meetings which were to be called at 11.30 and could not meet because of the vote that was just taken. The committee chairmen have informed me that the meetings of the banking and commerce committee, the external affairs committee and the veterans affairs committee will resume their business immediately.

**Mr. Bennett:** The veterans affairs committee is not meeting until three o'clock this afternoon.

**Mr. Croll:** The banking and commerce committee concluded their work this morning.

**Mr. Speaker:** Then I suppose it must be restricted to the external affairs committee. I presume the chairman of that committee is satisfied that that is the position.

**Mr. Picard:** Yes.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

### DEPARTMENT OF TRADE AND COMMERCE

General administration—

424. Departmental administration, $625,101.

**The Chairman:** Hon. members will find the vote on page 57 and the details commencing on page 486. Shall the resolution carry?

**Mr. Fleming:** Is the minister going to make a statement?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** Mr. Chairman, as in past years, I shall introduce the estimates of the Department of Trade and Commerce with a short review of recent trade developments as they affect Canada.

Last year I said that 1953 might well bring forth a number of far-reaching decisions and

important developments in the field of international trade relations. I think that I can now safely say that this has indeed been the case. Because of the decisions taken and the policies adopted in a number of important trading countries we have good reason to believe that we are, in many instances, rapidly moving towards the kind of trading relations we have been striving for since the end of the war. There are still many substantial obstacles to be overcome. However, the unprecedented progress of the past year has brought the ultimate objective of relatively unhampered multilateral trade much closer.

For the first time in many years we have concrete evidence that many of the world's trading nations are increasingly prepared to remove their restrictions against imports from the dollar area. The countries of the commonwealth, which account for a substantial proportion of world trade, reaffirmed at the Sydney finance ministers conference their support for the objectives of a freer system of multilateral trade. Closely following this conference a number of significant relaxations were made in the import controls of important sterling countries. In addition, the signatories to the general agreement on tariffs and trade decided in October, 1953, to maintain intact the tariff concessions bound under the general agreement.

In the United States the Randall commission submitted its report to the President on United States foreign economic and trade policy. The commission's recommendations, while perhaps not going as far as we would wish, nevertheless are largely constructive and progressive. Although it now appears that congress may not take immediate action to implement these recommendations, no doubt responsible leaders in congress and elsewhere in the United States will wish to see the commission's findings brought into force as quickly as possible.

There is, of course, a great deal of interest in and concern about the increasing protectionist pressures in the United States. There is no need to dramatize these developments by assuming that a trade war is about to break out between Canada and the United States. We are the largest customer of the United States as they are ours. I do not expect a trade war, either cold or hot, as long as we continue on both sides of the border to remember the strong interest of both countries in trading on a neighbourly basis. Our trade agreements with the United States have been negotiated as business deals. Concessions have been received and concessions have been granted and the resulting balance has been of mutual benefit to both countries.

It would, of course, be a matter of regret if the United States government were to take the initiative in adopting measures which would have the result of impairing U.S. trade with Canada and other friendly countries. But I give the overwhelming majority of the people of the United States credit for not wanting this to happen any more than we do. It should therefore be our policy to conduct ourselves in such a way as to give help to those who share our views and to show those who would withdraw concessions negotiated in good faith that such action is not in the interests of the United States.

It is noteworthy that progress in trade matters in the non-dollar world coincided with a decline in business activity in the United States. Despite this fact, sales to the United States from soft currency countries have not shown any appreciable decline. In fact, the sterling area has not only maintained its level of business with the United States but the pound is now stronger than it has been for many years and dollar and gold reserves held in London have reached record post-war levels. This development is in sharp contrast to the past unfavourable influences of United States business fluctuations on trade. It reflects, I believe, the underlying strength of the movement towards the recovery of world trade on a multilateral basis.

As the committee is well aware, Canada has consistently expressed its view that the creation of exclusive regional arrangements, trading behind protective barriers, distorts the economies of the countries following such practices and leads to inefficiency and high costs. The economic security which seems to result from such arrangements is of short duration and illusory in a competitive world. These facts have brought an increasing number of non-dollar countries to recognize that these arrangements and restrictive trade policies create more problems than they solve. In their own interest many non-dollar countries are increasingly prepared to relax their trade and exchange restrictions, and to move forward with plans for the eventual convertibility of their currency.

The United Kingdom, Canada's second best customer, has made extensive progress in removing import restrictions from agricultural, mineral and wood products. As a result of these important steps, about 70 per cent of Canada's exports to the United Kingdom, based on 1953 trade statistics, enter that country freely and are not subject to governmental restriction. Although most of the products thus freed from control are of a primary nature, we hope that the United Kingdom will soon relax its restrictions on goods in semi-processed and other categories.

Other countries of the sterling area have also taken significant steps to remove import controls which have discriminated against dollar goods. At Geneva last fall South Africa announced the removal of all discriminatory import restrictions. Since January 1 of this year Canadians have therefore had an opportunity to sell in the South African market on an equal footing with exporters of other countries.

New Zealand, Australia and the British West Indies have also recently announced important measures relaxing their restrictions against dollar goods. In the case of New Zealand in particular, these relaxations have affected an extensive variety of Canadian products.

The trend to freer trade has not been limited to commonwealth countries. In Europe, The Netherlands and Germany have freed many dollar imports from restrictions. Other European countries are actively studying the possibility of reducing their discriminatory controls on trade. In Latin America a number of Canada's important customers have also relaxed their trade restrictions against dollar imports. Among these countries are Brazil, Argentina, Uruguay and Colombia.

These developments are indeed encouraging, particularly when it is considered that they have been accompanied by a striking improvement in the internal and external financial position of these countries. In their external relations, most countries enjoyed increased exports and a more favourable balance of payments with the dollar area. The sterling area alone has increased its reserves by $672 million during 1953.

I believe that there is a close relationship between these remarkable results and the adoption of sound trading and internal policies. The gradual reduction of import controls, imposed for protective reasons, and the widespread trend to eliminate restrictions which have discriminated against dollar goods has undoubtedly improved the competitive position of the countries which have adopted such policies. It is significant to note that in 1953 the United Kingdom was able to increase its sales to Canada by $94 million over the previous year. This is an increase of 21 per cent; it also increased the United Kingdom's share of Canada's purchases from external sources from 9 per cent in 1952 to 10 per cent in 1953.

The remarkable strengthening of the United Kingdom's trading and financial position during the past year has undoubtedly placed that country in a much better position to place its currency on a convertible basis. It is, of course, impossible to say when this may happen since this decision can be made only by the government of the United Kingdom when it feels that its position is sufficiently strong to take this major step.

The recently concluded agreement on commerce with Japan represents a further advance in our efforts to create abroad better conditions for our exporters. We have established a mutually satisfactory basis for our trade with that country on terms which will ensure favourable treatment for Canadian exporters while safeguarding the interests of our manufacturers. In 1953 Japan was our third largest customer, buying nearly $119 million of Canadian products. This agreement will no doubt provide a permanent basis for the maintenance of high levels of Canadian trade with Japan.

As I mentioned a few moments ago, Canada has been a consistent advocate of multilateral trade. One of the major means by which we have actively implemented this policy has been through our participation in the general agreement on tariffs and trade. Last fall I had the pleasure of leading the Canadian delegation to the eighth session of the contracting parties to GATT. I welcomed the decisions reached there to maintain intact the whole structure of tariff concessions that had been negotiated by more than thirty countries over the last several years.

At the eighth session tentative arrangements were made for a review of the provisions of GATT at some appropriate time in the future. The general provisions of the agreement were originally intended to be of a temporary nature. Many countries, including Canada, now feel that they should be reconsidered and revised in a manner more consistent and more appropriate to present-day circumstances.

**Mr. Macdonnell:** Would the minister permit a question?

**Mr. Howe (Port Arthur):** Certainly.

**Mr. Macdonnell:** The minister referred to a future discussion with regard to the provisions of GATT. He did so in general terms. Was there no time limit indicated?

**Mr. Howe (Port Arthur):** Yes. The concessions were extended for eighteen months from the date of expiry, which was the end of the year, but the plan is to start a review of GATT in the autumn of this year.

**Mr. Fleming:** October 15.

**Mr. Howe (Port Arthur):** Yes.

**Mr. Rowe:** Eighteen months from when?

**Mr. Howe (Port Arthur):** From the end of 1953. The agreements are bound for that length of time.

The review of GATT, whenever it takes place, will be greatly influenced not only

by the experience gained in recent years but also by the policy matters now being formulated by the major trading countries. In this regard the role of the United States is of primary importance. The success or failure of any new steps is almost certain to depend on whether that country is in a position to give constructive leadership. If a review session is successfully held it may be found possible and desirable to subsequently conduct further tariff negotiations on a mutually beneficial basis.

During the forthcoming year major decisions hang in the balance. To a large extent these will decide whether or not the gains of the past year will be maintained and expanded still further. One of the most important factors in this balance is the future of United States commercial policy. If the United States is in a position to actively sponsor the expansion of trade and to implement this policy with appropriate legislation, there can be little doubt that the way will be open to the further expansion of trade. On the other hand, if the measures currently before congress are not implemented, and if steps to restrict imports are adopted, it will be indeed difficult to look to the future with optimism.

Let me turn now to the facts of our trading position. First, however, let me say a word about the general business situation. It has been evident for some time that the Canadian economy has been affected by the downturn in the United States which has been under way since mid-1953. Production and employment in Canada have declined moderately from the peak levels reached last year, although the reduction has been less pronounced than in the United States. In Canada, as in the United States, the slowdown in business purchasing, resulting in inventory liquidation in some lines, has been an important factor. This type of adjustment is usually self-correcting in character unless it is accompanied by a more general weakening in consumer demand or in investment or export demand. Fortunately consumer spending and private capital outlays in Canada have remained reasonably firm. In fact, of the major demands on the Canadian economy only exports have shown signs of falling off. Accordingly, I intend to limit my remarks at this time to a brief review of matters affecting our foreign trade.

For more than a year Canada's exports have shown a slight downward trend. In 1953 the value of Canadian exports amounted to $4,117 million compared with $4,301 million in 1952, a decline of 4 per cent. In the first quarter of the present year exports have undergone a further moderate reduction of about 5 per cent. Since prices are a little lower, the decline in terms of physical volume is somewhat smaller.

Any decline is of course unwelcome, but it should be borne in mind that this slight falling off in exports followed several years of substantial increases. Total sales abroad in the past year are still 15 per cent above the 1949 level in volume terms. This is about the same as the percentage rise in the national output during the same period. It considerably exceeds the increase in the volume of world trade. In other words, since 1949 Canada has continued to increase her share of sales in the international markets.

The fact that other nations are relying to an increasing extent upon Canada as a source of supply, especially for basic materials, is an important factor in our present expansion. But there are other reasons for Canada's growth. While much of the new burst of expansion, which occurred after Korea, was for the production of goods to be sold abroad, a major portion of the new capacity created in recent years has had the effect of replacing imports. The spectacular expansion in oil, natural gas and steel will, in the course of a few years, involve hundreds of millions of dollars less expenditures for imported materials. This type of development could, over the course of time, permit a relative shift of resources toward production for the domestic market.

This development does not, of course significantly lessen the importance of foreign trade to Canada. The nature of our resources is such that we shall always find it profitable to specialize heavily in the production of certain products and sell abroad the excess over and above our own needs.

Nevertheless as the size and industrial structure of the economy changes, the role of foreign trade will also change to some extent. In some periods a stable or even slightly declining level of exports is not necessarily indicative of a basic weakening in the economy. The tendency to gauge our economic strength solely on the basis of the movement of exports is, I think, a dangerous oversimplification of the forces which shape our development. I cannot see that our basic economic strength is substantially different now from what it was two or three years ago when export levels were rising at a rapid rate. There are of course other more temporary influences which have had an important bearing on current trends in our export trade.

One such influence has been the extraordinary conditions which have affected wheat

sales in recent years. In the two crop year periods ending July 31, 1953, the unusual combination of record crops in Canada and a strong world market boosted Canadian sales of wheat and flour to an annual average of 371 million bushels. This was 142 million bushels above average exports for the preceding 20-year period. The wheat situation was reviewed in detail by the agricultural committee, but I state these figures here simply to indicate the extent to which higher sales of wheat contributed to the sharp rise in exports during this period.

**The Deputy Chairman:** Order. I understand, of course, that the minister is reading from a prepared statement, but it is going to be difficult, I believe, for the chairman of the day during this discussion to hold the line. I do not believe we want to be in a position of trying to make hard and fast rulings and dictate too much to the members of the committee what they are to discuss. I understand that it is the sense of this committee that the more or less tacit agreement arranged when Mr. Speaker was in the chair will be held. I am going to ask the minister if it would be possible for him to omit from his general statement as much as possible of the material dealing with the sale of wheat, because, in fairness to the committee as a whole, should he make a statement on that subject it is going to be difficult to rule members on the other side of the house out of order on the anticipation rule if they should wish to meet his statement.

I realize we find ourselves in a rather difficult position because of the rather technical nature of the anticipation rule and the fact there is an amendment on the order paper. I am, therefore, taking this, my first opportunity, to draw the situation in which we find ourselves to the attention of the committee. I would ask the minister, as he would expect other members, to endeavour to omit as much as possible of the references to the sale of wheat specifically. I understand, of course, that in dealing with the over-all picture one cannot omit the figures that wheat contribute to that picture. Rather than have at this or a later stage to make a ruling which will be unpopular on both sides, I am going to ask all members of the committee to do the best they can to keep within what I feel was the spirit of the more or less tacit arrangement made just before this committee sat.

**Mr. Rowe:** Pardon me for interrupting, but I do submit everyone will try to follow what you have suggested. I feel, however, it would be difficult to deal intelligently with the Department of Trade and Commerce without having some reference to wheat such as the minister has indicated. It is not for the purpose of a specific debate on wheat, but the subject is so interwoven with all the other avenues of trade and commerce it seems to me we have to touch upon it.

**The Deputy Chairman:** I agree entirely with the hon. member who has just spoken. Perhaps I can be frank enough to say that I thought it was not undesirable to bring up the point when the minister was speaking, and not wait until some other member was speaking to raise the matter.

**Mr. Howe (Port Arthur):** In view of your remarks, Mr. Chairman, I would ask your permission to have my references to wheat expunged from the record.

**Some hon. Members:** No.

**The Deputy Chairman:** I do not believe that is the general desire of the committee. As I tried to make clear when I rose, I do not wish to undertake to dictate the course that this discussion shall take. I did wish to point out at the first opportunity that we expect the unofficial understanding to be followed as closely as possible by both sides. It is my feeling, and hon. members will correct me if I am wrong, that these remarks of the minister's are not of a provocative nature but merely help to complete the general picture of trade and commerce. I believe hon. members are agreeable that they should remain on the record.

**Mr. Fleming:** Perhaps I could offer a suggestion, because this matter could raise difficulties from time to time during the debate. I am quite sure that the wish of all members of the committee is that they should hear what the minister has to say on the sales of wheat because that question is so inextricably woven into our whole trade pattern that I am sure this committee would be glad to extend their consent to the minister to mention this question. It is so closely related to all our other trade problems that it will only stultify the discussion if we remove all discussion about wheat. I think if we confine the discussion of wheat to the effect it has on the general economy, rather than internal problems which could be really deferred until next week, we could proceed in that way.

**Mr. Howe (Port Arthur):** That is all I was doing. I am omitting any further reference to wheat.

**The Deputy Chairman:** It would be in order when we are discussing the over-all trade

policy of Canada to include wheat, but I do not think we should go into exports because they were very thoroughly discussed earlier.

**Mr. Nicholson:** If the minister has anything further to say about wheat from an international point of view, it would be quite in order to proceed.

**Mr. Howe (Port Arthur):** I think I can leave it at what has been said. Another factor which has had a depressing effect on exports during the last six to nine months has been the declining level of activity in the United States economy. The importance of this influence will be apparent when we realize that in 1953 sales to the United States accounted for 59 per cent of our total exports. Nevertheless, the prevalent view among those who follow the United States economic situation is that the current recession has about run its course after a decline of 10 per cent in industrial output and 3 per cent in gross national product from the peak levels reached in 1953. If this is to be the full extent of the present decline, the recession has, by historic standards, been a relatively mild one.

Moreover, the effect on Canadian exports has been less by reason of the fact that the pulp and paper market and activity in the United States construction industry have remained comparatively firm throughout the adjustment. Wood products as a group account for 45 per cent of total Canadian sales in the United States market. Some other export items have not fared so well. Durable goods industries in the United States have been hardest hit by the downturn and this tended to accentuate the softening already under way in the international base metal market. Consequently, exports of copper, lead and zinc have shown an appreciable decline. More recently, however, some firming in demand for these items has occurred.

Business conditions have, in general, remained prosperous in most of the overseas areas which provide markets for Canadian goods. In the United Kingdom, Germany and Japan, which outside the United States are Canada's most important customers, industrial activity has been increasing and this, in turn, has helped to support purchasing of raw materials and foodstuffs from Canada. While exports to the United Kingdom declined last year the latest trade figures available show a major improvement in sales to this market compared with a year ago.

Conditions have not been universally favourable in all non-dollar markets. Exchange difficulties have been acute in some Latin American countries. In addition, increasingly competitive conditions have been encountered in this market, especially in the manufactured goods field. As a result Canadian exports to Latin America have declined considerably from the peak level reached in 1952 but are still running above sales of any previous year.

Looking at exports by commodity groups, markets for the principal forest products are generally firm. Consumption of newsprint in the United States has continued to increase slightly, inventories are not excessive and it is expected that this market will absorb at least the same amount of Canadian newsprint this year as last. The United States market for wood pulp has strengthened appreciably and sales are now running well ahead of a year ago. In overseas countries purchases from Canada are increasing. Canadian lumber is meeting sharp competition in the United States and so far this year sales to that country have been down moderately. Nevertheless, building activity in the United States has continued to increase, and this will be an important influence supporting the demand for Canadian lumber. In addition, there are firm prospects for substantially increased sales of lumber this year to the United Kingdom and other overseas countries. While certain other wood products, particularly plywood, are in easy supply position, it seems likely that exports of forest products as a whole will show a moderate increase in 1954. Since sales have held about even in the first quarter this would involve some improvement during the remainder of the year.

In the metals field, firm markets exist for Canada's output of nickel and aluminum. World supplies of other base metals have for some time been more than adequate to meet current needs and production cutbacks have occurred in several major producing areas. It is possible that in the months ahead sales will show some improvement. Before the end of the year it is expected that iron ore from Quebec-Labrador will be moving into the great lakes market adding to the already increasing volume of shipments from Steep Rock and Algoma ore properties. With the construction of new pipe line outlets the volume of Canadian crude oil moving into the United States will be considerably increased by the end of the year.

There has been some broadening out of our foreign markets for fish products during the past year. For the first time in several years Brazil now permits imports of salt cod from Canada. We have negotiated new trade agreements with Spain and Portugal which enlarge our opportunities to sell salt cod in those markets. The United Kingdom again

this year is making a large purchase of B.C. salmon while both Australia and New Zealand have made a dollar allocation for the purchase of this product from Canada.

The one commodity group, apart from grains, likely to encounter a significant decline in export values this year is highly manufactured commodities such as automobiles, farm machinery, textile and leather goods and industrial, commercial and electrical equipment. As for farm machinery, demand in the United States market, which accounts for most of Canada's exports, has declined in line with the downward trend of farm income and also as a result of the unusually large purchases in recent years which have left farmers well stocked with equipment. The decline in exports of highly manufactured products taken as a group should, I think, be considered in the light of certain changes in the pattern of world trade generally. For one thing, in commonwealth countries and in other such traditional markets for Canadian manufactured goods, further industrialization has meant that these products are now in many cases produced domestically. Another important point is that in the years since world war II and even during the Korean episode the shortage of manufactured goods available from traditional sources such as the United Kingdom, Germany and Japan meant that Canada was able temporarily to participate in markets in which we would not have been able to compete in more normal circumstances.

It is, I think, important to remember that countries which are highly industrialized but scarce in natural resources depend largely on foreign sales of manufactured products to enable them to buy the large quantities of raw materials and food which they must obtain from outside their borders. We must remember also that their costs are geared to this necessity. With more capacity becoming available in these highly industrialized countries, and with demand for manufactured products tending to level off, Canadian manufacturers have found it increasingly difficult to compete in world markets. Such a situation should provide no particular cause for alarm. Canada does not lack for export opportunities and it is not necessary or even desirable for Canadian producers to be able to compete in world markets in all lines of merchandise. In our principal staple export items, Canadian producers are highly competitive the world over. So long as this is the case there is little basically wrong with our foreign trade position.

Increasing world supplies of manufactured goods have brought more competitive conditions in the domestic market as well as abroad. While imports increased substantially last year, especially in the early months, so far this year purchases from abroad have declined more than exports. The 7 per cent drop in imports in the first quarter considerably exceeds the reduction in total production and employment for the same period. This means that, for the time being at least, there has been an increase of the share of the home market going to the domestic producer, which is in sharp contrast to the trend one year ago. However, even with this smaller volume of imports, there is little evidence of any significant easing in the pressure of competition from foreign producers.

Mr. Chairman, I have attempted to explain some of the principal influences underlying recent trade trends. In spite of some adverse influences I think one can conclude that Canada's present export position is, on the whole, firmly based. I continue to be optimistic about the future of the Canadian economy.

**Mr. Rowe:** I did not want to interrupt the minister when he was speaking. When he mentioned the exports to the United States he said that 59 per cent of our total exports went to the United States and 45 per cent of that was wood products. Was that 45 per cent of our total exports or was it 45 per cent of the 59 per cent?

**Mr. Howe (Port Arthur):** Fifty-nine per cent of our exports went to the United States the year before last and of that quantity 45 per cent was wood products.

**Mr. Rowe:** Forty-five per cent of the 59 per cent, not of the total?

**Mr. Howe (Port Arthur):** Yes, that is right, of the 59 per cent.

**Mr. Fleming:** In approaching this present debate it is not perhaps amiss to remind ourselves that we are dealing with the estimates of the Department of Trade and Commerce, and that those estimates propose the expenditure on account of this department, along with the supplementary estimates, of the sum of $18,789,654 for the year 1953-54 as compared with a total of $17,316,971 last year. In other words, the estimates of this year on behalf of this department call for an increase in expenditure of approximately $1,470,000.

This department, from the point of view of expenditure, is a relatively stable one. Its expenditures do not vary greatly from year to year. While its expenditures are substantial, this department is not one of the big spending departments of government.

The stability of which I have made mention is also reflected in the size of the staff of the department. The report of the department for the calendar year 1953 indicates that the staff within the department, excluding the board of grain commissioners, the Canadian government elevators and the dominion bureau of statistics, is 1,197, which is one more that in the year 1952, and precisely the same figure as in the year 1951. The figures also on staff of the three organizations to which I have referred, the board of grain commissioners, the Canadian government elevators and the dominion bureau of statistics, are also relatively stable, bringing the total to 3,669 for the year 1953.

This present debate on trade will, I take it, not range over the entire field of our trading relations with the world. In the first place, we had an extensive debate on trade with Japan when the house debated the motion for ratification of the trade treaty with Japan on May 12, and there has been some discussion already in the house yesterday on the matter of wheat, which of course occupies a position of leading importance in all of Canada's export trade plans.

The subject of Canada's trade and commerce is one of first importance to every Canadian. Twenty-five per cent of Canada's national production goes to the export market. Our per capita share of the trade of the world is exceeded by only two countries, namely, New Zealand and Hong Kong. Last year Canada's total trade, both export and import, at $8,500 million means that with a population of 15 million, each Canadian had a share of approximately $560 in the total Canadian external trade. While I have not seen the final world trade figures for 1953 in relation to the position occupied by the various countries, I believe it is a fact that Canada did continue to occupy third place among the trading nations of the world, as she did in 1952, exceeded only by the United States and the United Kingdom.

Now, sir, we have had the minister's statement on this subject. The minister's statements are always interesting, but they do follow a very pronounced and typical pattern. Without being unfairly critical one might say that the minister's statement this morning was typical. It was a selective statement. No room was found in it for reference to the extensive unemployment that exists in Canada today. No mention was made in it, for instance, of the fact that last week several of the auto manufactories of this country were obliged to suspend their present operations. Indeed, the minister did succeed in glossing over, without spending too much time on them, those factors in the external trade situation that do give every thoughtful Canadian very serious concern at the present time. To the extent to which the minister permitted himself even to concede the existence of such factors, his remarks were intended to discount the extent and importance of them. Therefore, Mr. Chairman, I think it is not unfair to say that the minister's statement, as on so many occasions, finishing as it did, with the note of optimism, was characterized by the Nelson touch. The minister did succeed in putting his glass to the blind eye that the minister has been found to possess in matters relating to Canada's external trade that ought to be giving us concern. The minister simply does not see those.

Canada's external trade has not changed in relation to the problems it presents, has not changed since we debated the subject on the first item of the minister's estimates in this house a little over a year ago. Certainly, as I see the problem, rightly or wrongly, the problem is essentially the same as I attempted to describe it in speaking in that debate on April 22, 1953. The problem, however, has developed in the intervening 14 months, and the developments have followed lines that were visible at that time. It has followed the course of which I think those of us in this part of the house sought to warn the house and the government at that time.

I know that figures are not the most interesting subject to follow; nevertheless we cannot validly estimate the trends or the problems that face Canada in relation to her external trade without due reflection upon the figures of exports and imports. I have here a table which I prepared from government sources concerning Canada's exports and imports for the years 1952 and 1953, arranged in terms of the total figures and also in terms of percentage. I am not asking any consideration of the committee in this regard. If it would be more convenient to have this table on the records of the house instead of my reading it I would be quite pleased to deal with it on that basis. Perhaps it might save a little time.

**The Deputy Chairman:** Has the hon. member consent to have this table printed in *Hansard?*

**Some hon. Members:** Agreed.

**Mr. Fleming:** The table follows:

CANADA'S TRADE WITH THE WORLD
(In Millions of Dollars)

IMPORTS

| — | 1952 | % of total | 1953 | % of total |
|---|---|---|---|---|
| From U K | 360 | 9 | 453 | 10·3 |
| From Commonwealth | 184 | 4·5 | 171 | 4 |
| Total U.K. and Commonwealth | 544 | 13·5 | 624 | 14·3 |
| From U.S.A. | 2,977 | 74 | 3,221 | 74 |
| Elsewhere | 509 | 12 | 538 | 12 |
| Total outside Commonwealth | 3,486 | 86 | 3,759 | 86 |
| Grand Total | 4,030 | — | 4,383 | — |

EXPORTS

| — | 1952 | % of total | 1953 | % of total |
|---|---|---|---|---|
| To U.K. | 746 | 17·3 | 665 | 16·1 |
| To Commonwealth | 262 | 6 | 233 | 6 |
| Total U.K. and Commonwealth | 1,008 | 23·5 | 898 | 22 |
| To U.S.A. | 2,307 | 53·5 | 2,419 | 59 |
| Elsewhere | 987 | 23 | 801 | 19 |
| Total outside Commonwealth | 3,294 | 76·5 | 3,220 | 78 |
| Grand Total | 4,301 | — | 4,117 | — |

1952 — Export Surplus: 271
1953 — Import Surplus: 266

| Total Trade Percentage: | 1952 | 1953 |
|---|---|---|
| With U.S. | 63·4 | 67 |
| With U.K. | 13·3 | 13·1 |

What is evident from these figures as to Canada's export and import trade in 1952 and in 1953 can be summed up in the terms of these important trends. The minister referred to one or two in his remarks on the import side. I think we are principally concerned with our trade with the United Kingdom and with the United States, and the position they hold as a percentage of world trade. In 1952, Canada imported from the United Kingdom

[The Deputy Chairman.]

$360 million worth of goods, and that represented 9 per cent of our total imports. In 1953, as the minister mentioned, the figure increased to $453 million and the percentage to 10·3. That was an increase which I think we all welcomed. I go further, Mr. Chairman, and say that I think we would all welcome a much greater increase. From the commonwealth there was no very material change in either value or percentage of our imports as between 1952 and 1953.

However, from the United States in 1952 we imported goods to the value of $2,977 million, and in 1953 $3,221 million, and our percentage in the two cases remained uniform at 74 per cent of the total. In the grand total our imports for 1952 were $4,030 million and they increased to $4,383 million in 1953.

On the export side, we see that our exports to the United Kingdom showed a drop in 1953 as compared with 1952, from $746 million in 1952 to $665 million in 1953, and they also show that the percentage dropped from 17·3 per cent to 16·1 per cent. Our exports to the commonwealth remained stable in the two years both as to amount and percentage.

But to the United States our exports in 1952 were $2,307 million and in 1953 rose to $2,419 million. Similarly, because the total of Canadian exports last year was reduced from $4,301 million in 1952 to $4,117 million in 1953 the percentage of exports to the United States showed a substantial increase, rising from 53·5 per cent in 1952 to 59 per cent in 1953.

Before I leave this comparison in trade figures for these two years, Mr. Chairman, I think it is interesting to look at them in relation to two other subjects. The first is where we stand in regard to the over-all surplus. In 1952 Canada had an export surplus, or what used to be called a favourable balance of trade, of $271 million, but in 1953 that had changed and we no longer had an export surplus. We had what is now called an import surplus, or what we used to call an unfavourable balance of trade, of $266 million.

I leave this subject with this one further observation, Mr. Chairman, that in looking at the percentage of our total trade, whether export or import, occupied by the United Kingdom on the one hand, and the United States on the other, it will be seen that in 1952 we did 63·4 per cent of our total external trade with the United States. In 1953 that percentage had risen to 67 per cent. In other words, in 1953 we were doing slightly

more than two-thirds of our total external trade with one country, namely, the United States.

The figures for the United Kingdom on the other hand show that the percentage of our total trade that we did with the United Kingdom in 1952 was 13·3 per cent, and that that has fallen slightly in 1953 to 13·1 per cent of the total.

As to the first four months of 1954, for which the figures are available, our export trade has undergone a further decrease, and our import trade has likewise shown a decrease. The export figures for the first four months of the year have dropped from $1,219 million in 1953 to $1,164 million in 1954. Our imports are down from $1,390 million in 1953 to $1,282 million in the first four months of 1954. Our exports to the United States in this four-month period show a slight decrease of $48 million. Our exports to the United Kingdom show a slight increase of $5 million. Our imports from the United Kingdom show a decrease of $9 million, and our imports from the United States show a decrease of $104 million.

Now I hope I have not wearied the house with that review of what seem to me to be very important figures. They show unmistakably the existence of certain trends.

First, there is a continuing drop in Canada's over-all external trade. That drop has now been continuing for some 16 months up to the end of the period to which I referred, namely, April 30, 1954.

Second, the drop in exports began sooner and is still continuing, and in that over-all period of some 16 months the drop in exports has considerably exceeded the proportionate drop in imports.

Third, Canada has incurred in the period in question an adverse balance of trade, in other words, what is now called an import balance. That import balance continued throughout the whole period of 1953 and has continued in the first four months of 1954, because in this first four months of 1954 our imports exceeded our exports by $118 million.

Fourth, our trade with the United States simply dwarfs our trade with all other countries, whether taken individually or combined, to an extent which is daily becoming more serious and more perilous for Canada. Our trade eggs are being placed in one basket and that basket is by no means the most certain or satisfactory trade basket in the light of history.

Fifth, with that one country, namely the United States, we have today an adverse balance of trade which, in the period I have been discussing, has almost set records. An adverse balance of commodity trade on the part of Canada in relation to the United States is not new. It is an historic fact. But now the extent of it is so great as to call for the most serious examination on the part of all Canadians.

Sixth, on an examination of the nature of our trade, it will be seen, I think, that it is in relation to our agricultural products, that so vulnerable feature of Canada's economy, that the problems to which I have referred appear for Canada in their most serious aspect.

May I call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**Mr. Fleming:** Mr. Chairman, following my review of the figures of external trade of the past two years and four months, I should like to turn now to examine more closely our trading relationships with certain countries. I pass over our trading relationships with Japan because of the extensive discussion we had on that subject on May 12.

Lately there have been tabled in the house copies of new trade agreements with Portugal and with Spain; and the minister this morning announced the signing yesterday in Rome of a trade agreement with Italy. May I say at once that so far as these trade treaties offer hope of increasing the shipments principally of Canadian dried salt codfish to these countries, these agreements will, of course, be welcomed. We shall be glad indeed to see any opportunities provided for extending Canadian exports, particularly in the commodities principally affected by these treaties.

I now turn to our trade with the United Kingdom. In the last year before the war we sent to the United Kingdom 35·5 per cent of our total exports. In 1953 we sent to the United Kingdom just 16·1 per cent of our total exports. I am aware of the fact that percentages do not always tell the whole story but nevertheless it seems to me that there is here reason for concern. Great Britain has been our best market; it has been our traditional market, particularly for our agricultural surplus. It is because of that fact that it is so important that we retain the British market. The fact of the matter is, however, that over a period of years we have been losing the British market for many of our principal food products. That market is virtually closed to our shipments of bacon,

pork, beef and apples. Our shipments of fish to that market are much smaller than they used to be. Our shipments of cheese are only a fraction of what they used to be. Our shipments of wheat to that country are down substantially in volume and value.

But, Mr. Chairman, this loss of the British market does not seem yet to give the government any worry. In the face of this alarming loss of the British market for our agricultural surplus, if one could see on the part of the government some evidence of concern, some evidence that the situation worries them, and that they might for that reason want to exert heroic efforts to recover that market, then one would not be disposed to view the situation with the same alarm as one must when one sees on the part of the government, in the face of this loss of our best traditional market, what appears to be complete indifference and resignation. We in this part of the chamber do not view the loss of the British market, particularly for our agricultural surplus, with any degree of resignation. We conceive it to be the duty of the government to exert every effort within its power to seek to recover that lost market.

There are various ways in which that desirable end can be furthered. Mr. James S. Duncan, the chairman of the dollar-sterling trade council, in a statement which he issued on April 14, drew attention to the desirability of increasing our purchases from the United Kingdom. In that statement he said:

> "Based on last year's trade pattern, if we could transfer only 7 per cent of our imports from the United States to the United Kingdom, it would eliminate Britain's trade deficit with us and put her in a much better position to buy our products," said Mr. Duncan. The council's purpose is to assist in this 7 per cent transfer of imports.

Mr. Chairman, 7 per cent does not look like a large percentage; yet the striking fact is that if we brought about a transfer of 7 per cent of our purchases from the United States to the United Kingdom we would in that way close up Britain's trade deficit with us and put her in possession of dollars with which to buy here goods that she needs.

In his recent visit to this country Mr. Peter Thorneycroft, president of the British board of trade, drew attention to the fact that Britain desires to increase her purchases from Canada and also to increase her investments in Canada. But, as he strikingly put it, you cannot invest a deficit; you cannot invest a deficit either in terms of capital investment or in terms of consumer or capital goods. We should therefore like to see some evidence on the part of the government of a realistic appreciation of this fact and a realistic approach to it. We do not, however, find either.

[Mr. Fleming.]

Mention was made this morning by the Minister of Trade and Commerce of the fact that the internal position of Britain within the sterling bloc has strengthened greatly, particularly during the past year. Britain's trading and financial position within the sterling area has certainly strengthened materially. In the face of that fact, we may hope that the day of the restoration of the convertibility of currency may be eventually coming within sight. Indeed, the recent agreement entered into by Mr. Butler with the government of the West German republic seems to indicate that Britain is now moving by steady stages in the direction of the removal of trade restrictions and also of some of the currency restrictions which hitherto have been applied. Be that as it may, Mr. Chairman, the fact is that unless we become more seriously alive to the dangers to our economy resulting from the loss of the British market we are courting a danger particularly for the basic industry of agriculture in this country.

Other nations are not standing idly by and ignoring the importance of the British market. In recent months we have seen evidence of the desire of Russia to expand her trade with Great Britain. Indeed some rather striking statements have been emanating from Russia about the desire to extend trade with Great Britain, and there have been placed in Britain by the Russian government important orders for machinery and other British industrial products. But, Mr. Chairman, what of the other side of this possible trade between Britain and Russia? This is something which is of direct concern to Canada. I call the attention of hon. members to a statement made on March 23 of this year in the House of Commons at Westminster by Mr. Derick Heathcoat-Amory, the British minister of overseas trade, when he said this:

> The British market is "wide open to Russian grain, timber, metals and manganese ore".
>
> Speaking in debate on east-west trade, he said it would be "very helpful if larger quantities of grain could be made available".

Canada has almost unlimited quantities of grain that she would very much like to sell. Why is the government not making spirited efforts to see to it that it is to Canadian grain that the British purchaser turns rather than to Russian grain? There are, of course, questions of policy involved on the part of Britain in extending trade with Russia. It is thought that it may help to contribute toward peace if east-west trade is restored somewhat. But, Mr. Chairman, knowing that the Russians are prepared to sell Britain grain, and particularly wheat, what is Canada doing with this huge accumulation of wheat?

**Mr. Howe (Port Arthur):** We are selling grain to Russia.

**Mr. Fleming:** Oh, jolly little Canadian grain is going to Russia! You could almost put it in a hat.

**Mr. Howe (Port Arthur):** No, no. Two or three ships are required.

**Mr. Fleming:** Our trade with Russia has never been a serious factor in our external trade, but our trade with Great Britain has been a vital factor in our external trade. What we would like to see on the part of the government is a realistic appreciation of the necessity of claiming that British market, particularly for our grain products.

Now, sir, I turn to the subject of our trading relations with the United States. I drew attention this morning to the alarming extent to which our trading eggs have been placed in the American basket, to the fact that in 1953 a trifle over two-thirds of Canada's total external trade, both export and import, was done with this one country. We have some very serious problems facing us in reference to our trade with the United States. The mere size of that trade, the extent to which we seem to be putting our eggs in that one basket, is of itself cause for alarm, particularly when we have regard for the history of American trade in the past.

Last year we had an adverse balance of trade with the United States of around $800 million. That of itself, it seems to me, is also an alarming factor.

The next factor that should give us cause for deep concern is the fact that the United States, through government policies, has accumulated vast stores of agricultural products which are directly competitive with those of Canada. On March 17 of this year a statement emanated from Washington to the effect that before the United States embarked upon any policy of disposing of these surpluses in the external markets of the world there would be consultation with Canada. Well, sir, the fruits of the consultation are not very impressive indeed.

When we see what has happened within the past four or five days to the price of wheat I do not think anyone in the house can be impressed with the benefits of consultation. Consultation has not done very much in arriving at any policies that will be of benefit to the agricultural producers of Canada. The minister this morning in his review made reference to the Randall report. That report, which was submitted to the President of the United States on January 22 of this year, is a document which, so far as the majority on that commission was concerned, contained two principal recommendations to the president. The first was that there should be a cut in American tariff rates of 5 per cent per annum for the next three years and, second, that there should be a three-year extension of the Reciprocal Trade Agreements Act. That was the majority report.

The reaction within congress to that report so far has not been very encouraging. Indeed the problems faced by the president in relation to that report and in the way of implementation of its recommendations seem to be best demonstrated by the fact that there is no indication whatever at Washington that there is going to be any measure to cut tariff rates in the manner indicated, and also by the president's compromise with regard to the extension of the Reciprocal Trade Agreements Act. The president has indicated to congress that he is prepared to accept a one-year extension of this act. Some papers have referred to this as a surrender on the part of the president. I do not know that that is an altogether fair judgment to pass, but in any event it is a compromise on the part of the president and it does serve to indicate the strength of the forces within the American congress who are going to seek to pursue policies that will create difficulties for the Canadian producer, particularly the producer of raw materials.

The next factor of serious concern for us in our trade relationship with the United States relates to the American attitude respecting the general agreement on tariffs and trade. Our experience in the past two and a half years as a signatory nation to GATT has been, so far as the United States is concerned, disquieting. We all regard the United States as a good neighbour, a sincere ally. We think that the cause to which the United States, Canada and the other nations of the free world are dedicating their efforts is a cause of good faith, good faith in dealings between men and good faith in dealings between nations. When the President of the United States, in pursuance of authority conferred upon him by the congress of the United States, enters into engagements with Canada and other nations signatories to GATT on behalf of the United States, it seems to Canadians that congress should be prepared to keep faith.

But, Mr. Chairman, the fact is that there have been on the part of the United States congress not one but several breaches of the provisions of GATT, breaches not simply of the spirit of GATT but breaches of the letter of GATT. We recall that in 1952, in breach of the provisions of GATT, the United States congress, through what is called the Andresen amendment, applied certain restrictions against the importation of Canadian dairy products. In 1953 those restrictions were

extended. Not long ago the Canadian government, at the request of the United States government, applied restrictions upon exports of Canadian oats to the United States.

I am not going to repeat what I have said on previous occasions with regard to this step taken by the Canadian government. I think it will suffice to say that in my view the Canadian government had no business, not only to acquiesce in the breach of GATT but to make itself a willing accomplice. The minister may say we might have had a difficult situation to face with the United States in view of the pressure that was being exerted upon the executive government down there to apply some form of tariff restriction on the importation of Canadian oats, but, Mr. Chairman, I affirm that it was no part of the duty of the Canadian government to come to the rescue of the American government under those conditions and itself apply restrictions upon the export of Canadian oats to the United States.

**Mr. Howe (Port Arthur):** I wonder whether my hon. friend will let me clear up a misconception in his mind. It is perfectly legitimate, under the provisions of GATT, to restrict the import of any commodity where the price is under price support, and oats are under price support. I agree that dairy products are not under price support and that was a violation of GATT, but when my hon. friend takes it into the field of oats, wheat, barley, flax and rye he is getting into a field where action taken by the United States is not a violation of GATT. I might say that we support the price of butter and we prohibit the importation of butter from the United States, which is legitimate under GATT, just as it is legitimate for the United States to take any action it likes in connection with oats.

**Mr. Fleming:** The manner in which the Minister of Trade and Commerce, Mr. Chairman, has commented on this matter I think is indicative of an attitude which should be condemned in this house. The fact is that the Canadian government has been anxious apparently to be the apologist for the actions of the United States in seeking restrictions on the export of Canadian oats to the United States. There is not one thing that the minister has said that justifies the imposition by the Canadian government upon Canadian producers of oats of a restriction on the export of their oats to the United States.

The fact remains that the Canadian government came to the rescue of the United States government in what would have been an embarrassing situation in relation to our trading relations with the United States, and relieved the United States government of that particular embarrassment by itself manacling the Canadian producers and exporters of oats.

The story does not end there, unhappily. We see in Washington today that the same kind of pressure is being exercised now in search of restrictions upon the export of Canadian lead and zinc to the United States. I have asked the minister in the house on several different occasions about this matter, and the minister has indicated there have been no communications passing on this subject between the two governments.

**Mr. Howe (Port Arthur):** Surely, Mr. Chairman, I did not so indicate. If I did, it is entirely erroneous. Of course, we have made representations.

**Mr. Fleming:** I have not looked at the particular statement the minister made but the inference I drew from the statement he made with respect to the question was that there had been no formal communications on this subject in regard to the request that has been mentioned in the press statement from Washington, seeking on the part of the Canadian government some restrictions upon the export of Canadian lead and zinc to the United States.

**Mr. Howe (Port Arthur):** I assure the hon. member that, in the first place, no such request has been received from the United States asking that we restrict exports of lead and zinc. The report of the tariff commission is before the president, and its contents are unknown. Certainly Canada has filed a formal protest against any action that will restrict shipments of Canadian lead and zinc into that market.

**Mr. Fleming:** I am sure we are glad to hear that because this matter is of very serious concern to the Canadian metal producers. I may say that the press has carried some disturbing reports in this field. For instance, on April 19 a Canadian Press report from Washington read as follows:

> The United States likely will ask Canada shortly to curb shipments of lead and zinc into the American market. The request may take the form of a suggestion that Canada volunteer to reduce exports, just as it agreed earlier this year to reduce shipments of oats, United States informants said yesterday.
>
> Canadian exports of lead and zinc to the United States totalled almost $100 million in 1952. The United States domestic industry, faced with declining market, has appealed for some form of tariff protection.

There is another form of restriction that seems to be proposed by Washington at the expense of Canadian producers, which I believe should give us concern. We have seen following these bumper crops of wheat

in this country a vast accumulation of wheat in Canada. I have mentioned already the fact that the efforts on the part of the Canadian government to dispose of that huge surplus in the United Kingdom have not been adequate. Whatever may be said about the proportion or percentage of Canadian wheat out of the total that has been going into the United Kingdom market, the fact of the matter is that for the first 9½ months of the present crop year just 196 million bushels of Canadian wheat went into the United Kingdom market, whereas in the full crop year 1952-53 our exports to the United Kingdom amounted to 378 million bushels. It is evident, therefore, there is a drastic reduction in the volume of Canadian wheat exports to the United Kingdom. In the face of that, Mr. Chairman, listen to this. This is a report from Washington dated April 23, and reads:

Ezra Taft Benson says, in friendly spirit, that he would like to see Canada impose controls on her grain production.

It will be recognized that the gentleman in question is the United States secretary of agriculture, and in making the statement he did he is no doubt reflecting the policy of the United States administration. He added, and we are told he added with a smile:

It would please us if Canada imposed controls on her acreage.

I think this house would like to know whether the Canadian government is going to entertain proposals of that kind from the United States or whether the Canadian government is determined to follow policies that will assure for the Canadian producer markets for his production. What is the Canadian government doing about these matters? Have there been any protests against comments of this kind as to United States' governmental policy?

Now, Mr. Chairman, I have time for only one brief comment on GATT as such. I have made my comments on what I think are disturbing aspects of the attitude of the United States congress towards its responsibilities under the general agreement on tariffs and trade. But what of GATT in the wider context? On October 15 next the nations who are signatories to GATT will be convening for the purpose of planning for the extension of GATT. Since the general agreement was extended at the last meeting, there have been certain developments that have not been commented upon by the minister.

In the first place, there were some changes made at that time in regard to the provisions of GATT. Recognition was given to the fact that the government of The Netherlands was quite justified in applying certain restrictions upon the importation of certain materials from the United States in retaliation for the imposition of restrictions upon the importation of Netherlands dairy products into that country. Since this matter became a lively subject of concern to us no one in this house so far as I am aware proposed that retaliatory measures be applied against the United States. But I believe we want to know, and we have not been told, whether the Canadian government has now acquiesced in and accepted the breaches of GATT on the part of the United States congress. It was just over a year ago that this house unanimously passed my motion calling upon the Prime Minister who was then about to leave for a conference in Washington to register with the United States government the strong protest of this house against the breaches by the American congress of the general agreement on tariffs and trade, which affected The Netherlands, which affected us and which affected other nations that export dairy products.

We have not heard anything from the government now for over a year as to any protest or any efforts that they are making to seek a removal of those measures taken by the United States congress which are directed against Canadian dairy products, and which are a direct violation of the provisions of GATT. What is the government's policy on this matter? What is the government's aim, and above all what are the government's efforts in this direction, if any?

I close with this question: What do we consider to be the function of government in this country in relation to trade? We are thinking, of course, particularly about external trade, having regard to the jurisdiction of parliament in relation to trade and commerce under the British North America Act.

So far as the Canadian government is directly involved in the sale of any particular commodity, as in the case of wheat, we of course expect of the government that it shall be an energetic and resourceful salesman, having due regard to the fact that the interests of the western wheat farmer particularly are at stake, and that those interests are basic to the health of the whole economy of Canada. But in those cases where the government is not directly involved in the bulk trade of commodities, what is the function of government? As I understand it, the function of government, that which has been assigned to the government by statements which have come from the Prime Minister and others in relation to the whole field of economic activity within the country, is to create a healthy climate within which free enterprise, the enterprise of individuals, may flourish.

What is the government doing in relation to its duty to create as healthy a climate as may be possible within which individual enterprise and individual salesmanship may flourish? I have drawn attention to certain matters to which the government it seems to me is simply directing a blind eye, and is not even admitting the existence of the problem. And when the government does not even admit the existence of the problem, there is small hope for its addressing its most resolute efforts to the solution of that problem. That is the first point.

Then, in the second place there is this question of Canada's competitive position in the markets of the world. Surely it disturbed, even if it did not surprise, hon. members when they heard the minister say today in his closing remarks—if I heard him correctly—that there was no cause for alarm because Canadian producers at the present time may not be able to compete in certain world markets. Mr. Chairman, surely it must be a matter of concern to each one of us here when the Canadian producer is not in a position to compete with the producers of other countries in the markets of the world. Is this a matter of no concern? Is this a matter of such indifference to us that the Minister of Trade and Commerce can say, "Oh, there is no cause for alarm here", and then sit down and feel perfectly satisfied?

Mr. Chairman, surely that is a poor substitute for facing problems, and facing them squarely. The fact of the matter is—and leading economists in this country have drawn attention to it—that Canada's position in the competitive markets of the world has been placed in jeopardy by a high-cost economy. What is one of the leading ingredients in that high-cost economy? I tell you, sir, it is high government costs and high taxation. It will be remembered—

**Mr. Byrne:** Time.

**Mr. Fleming:** Well, nobody pays much attention to what the hon. member for Kootenay East says, with his silly interruptions; and I shall pay no attention to him.

Speaking for the government the Minister of Trade and Commerce said on February 15 that the government had decided that this year would be a year of loosening the purse strings on government spending. Is it any wonder, then, that there is a high-cost economy here, and that that is hamstringing the efforts of Canadian producers to find markets abroad for their produce? It was in that connection that the Ottawa *Citizen*, a paper friendly to the government, said this:

> Rather than respond by giving Canadian manufacturers additional tariff protection, the Canadian government might well consider revising downward its own sales taxes. This would put Canadian business in a better position to compete with American goods, and incidentally with those from Japan and other outside sources. It is true that the lost revenues must be made up. Apart from resort to higher taxes in other fields, the government might find itself taking in more money from taxes at the reduced level, because of the stimulating effect on domestic business.

This government could make a substantial contribution to the improvement of the competitive position of the Canadian producer in the export markets of the world by reducing these impositions that it places upon the cost of Canadian production.

The one thing that would be unforgivable in this situation would be inaction on the part of the government. Inaction results from smug complacency, from satisfaction with the situation as it is, from closing one's eyes to the dangers of the situation, particularly the dangers confronting the Canadian agricultural producer. What we demand is recognition of these difficulties; no Pollyanna attitude, but rather a frank and realistic appreciation of the difficulties and then a determination to grapple with them and, as it is within the government's power, to clean house and in its own way contribute to improving the competitive position of the Canadian producer in the markets of the world.

**Mr. Thatcher:** Mr. Chairman, I shall not speak at great length. I have been particularly interested in the debate which has taken place thus far. While in the restaurant at the noon recess I noted that General Gruenther, commander of the NATO forces, is in Ottawa. I hope he will have a pleasant visit. I think, too, that he might find a concrete method of strengthening his NATO forces if he would listen to some of the debates taking place in the House of Commons today; I am convinced that the most obvious way to strengthen NATO is for the United States to enlarge the economic as well as the military foundations under the alliance.

Recently there has been a good deal of economic friction between the United States and Canada. I believe people on both sides of the border hope that friction will not continue. There are few Canadians who do not realize how dependent we are upon the United States market. The minister told us this morning that 59 per cent of all our exports go there. But that trade certainly is not one-sided. Last year, we bought $757 million more from the Americans than we

sold to them. And so I suggest the Americans, too, should be interested in the maintenance of cordial trade relations between our two countries.

Many Canadians—and I am one of them—feel that recently in trade matters the Americans have not been treating us exactly as we think they should treat a friendly country. Washington originally inspired the Geneva agreement. I remember well that, quite willingly, this parliament turned its back a few years ago on imperial preferences and entered the Geneva agreement. We did so because we believed that it would lead to freer trade, and, to a certain extent, it has.

Yet while we have made major tariff concessions under the agreement, in the ensuing years the Americans have been most reluctant to proceed with a progressive lowering of tariffs. So far as Canada is concerned, most of the concessions the Americans have made thus far have been on raw materials and semi-processed goods. So far as manufactured goods are concerned, the tariff rates are still practically prohibitive. That fact has put most of our manufacturers in this country in a very difficult position.

Today the United States manufacturer has a home market of roughly 155 million people, and he is protected from outside competition by a very high tariff barrier. Our manufacturers in Canada have a potential market of only about 15 million people and because of the low tariff barriers they have to share that market with the American manufacturers.

I find it very difficult to understand the attitude of American businessmen. On the one hand, in a very generous way, they give away billions of dollars in military and foreign aid. Yet, on the other hand, they refuse to lower their tariff barriers to let the other NATO countries strengthen themselves. The paradox does not seem to make sense. I say that the United States trade policy is threatening the very foundations of the NATO agreement today. If the United States congress does not wake up to the fact soon they may find the alliance crumbling. I hope the Minister of Trade and Commerce will give General Gruenther such a message while he is in Ottawa today. If he really wants to strengthen the alliance, let his country take economic measures, as well as military ones.

I should like to know what United States' businessmen fear. These businessmen always preach the virtues of competition. They are always chiding their neighbours that they lack the great competitive spirit which has made the United States great. Yet, as I see it, these American businessmen are not practising what they preach. They maintain a very high tariff wall to protect themselves from outside competition. The minute the president or anyone else suggests that the tariff walls should be lowered a little, they scream in agony.

The Geneva agreement originally promised a progressive lowering of tariff barriers. I say that our American friends have not lived up to the spirit of that agreement. For more than six years it has been pretty obvious that the United States has failed to reciprocate to an appreciable extent the concessions which Canada has made under the treaty. What is even more serious, as was pointed out by the hon. member for Eglinton, on numerous occasions the United States have actually violated the agreement. The case of dairy products was mentioned. The trade minister says that as far as oats and rye are concerned they did not violate the agreement. Well, as I understand it, they certainly violated the spirit of the agreement. I feel the United States government literally blackmailed the Canadian government into accepting those quota restrictions, and they did so at a time when western Canada was bulging with full granaries of oats and rye. I do not think we should have been forced into such a position.

Obviously there are some congressmen and some senators in the United States who think that the Geneva agreement is just a scrap of paper which they can violate at any time for political reasons. According to newspaper reports, the United States is considering embargo restrictions on lead, zinc and fish products. I must say that I am not entirely satisfied with the assurances the minister gave us this afternoon that these restrictions likely will not take place. If the United States does proceed, once again it will be a violation of the Geneva agreement. Once again large segments of our economy are going to be seriously hurt. Once again the United States is going to use Canadians just as marginal suppliers—taking our materials when there is a scarcity, refusing to take them when they are plentiful. The time has come, Mr. Chairman, when this government must make its position clear as to exactly what it will do, if the United States does proceed with the restrictions that are being mentioned.

If the United States is going to continue to violate GATT Canada should re-examine her whole position under the Geneva agreement. Certainly a treaty is of little use to Canada when the main signatory ignores the major provisions. Therefore, I urge this government to make its position crystal clear in

this debate, as to what it will do if the United States does proceed with an embargo on lead, zinc and fish products. As I see it, the Americans should be told that Canada would be forced to retaliate. Canada would have to take counter-measures. Perhaps those counter-measures should include embargoes or restrictions; perhaps they should include some counterbalancing tariff; perhaps they should even include an export tax on asbestos, nickel, or some other product which the United States must buy from us.

I suggested such a policy last December before the embargo was put on oats. It is not going to help either country to get into a price war. If we get into a price war with the United States I do not suppose there is any way in which we can be the winner. Yet sooner or later Canada is going to have to stop turning the other cheek. This government should point out to the United States, as I see it, that there is frustration in this country, disappointment and even bitterness, because of the United States trade policy. Canada wants to be a friend of the Americans; we have always been one in the past, and we want to be in the future. The United States is not helping that process when they indulge in economic nationalism, as they have done in the past few years.

I should also like to say a few words about trade with iron curtain countries. Personally I feel that the Department of Trade and Commerce has been lax in developing trade with such nations as Russia, China and others. Our trade with those countries is almost negligible. I have a Canadian Press report here of last April which says that exports to Russia in the month of March were $25 as compared with $57 a year ago. Britain, Germany, France and Japan are getting into those world markets, and I am afraid —maybe the minister can show that I am wrong—that Canada is missing the trade boat by not following suit.

Earlier this year the Russian ambassador announced that his country was anxious to buy certain Canadian products. Yet so far Canadian authorities have treated the efforts which the Russian ambassador made with apathy, with indifference, and even ridicule. Only a few weeks ago the Russian embassy gave Canadian exporters a long list of products which they would like to buy from Canada. That list included a number of manufactured products. It included foodstuffs, and particularly, as far as western Canada is concerned, it included wheat. I put a question on the order paper which was answered yesterday. The effect of the question was: What has the Department of Trade and Commerce or the government done to try to sell grain to Russia since the first of the year? In a nutshell the answer was that two representatives from the Russian embassy had called on the department and obtained price lists, delivery dates and so on. To date, it said, there have been no further developments.



Well, Mr. Chairman, what kind of salesmanship is that? Here we have some officials sitting in an office waiting for orders to come. There is no aggressiveness, no imagination, no particular desire to sell, and no follow-up. If I had salesmen like that in my business at home I would be bankrupt very quickly. Out in the west we have 700 million bushels of wheat sitting in granaries, in elevators, in fields and everywhere else. We have a country which says it is willing to buy some of that wheat, and yet our officials in the department do not even bother to get out of their chairs and go over to the embassy to see why no purchase has been made.

Why have the Russians not bought that wheat? Have our credit terms not been good enough? Is the price too high? Do they lack exchange? Do they want some kind of barter agreement? At least let us find out. I do not know what the answer is. Maybe their offer was a phony one. If it was, let the minister tell us why it was phony. But with the vast surplus of grain which we have in western Canada any suggestion of an offer to buy should be thoroughly examined. Trade with the eastern world would be good business. I also believe it would help to promote better relations between the power groups in the eastern world and the western world. I ask this government to leave no stone unturned in trying to develop trade with the east in the same manner as Great Britain is doing. Before this item passes I hope the minister will make some comment on those offers to purchase which have been made to Canada by eastern countries.

**Mr. Rowe:** Mr. Chairman, I do not wish to take up the time of the committee at any great length, but I do feel the Department of Trade and Commerce is a very important one and that upon that department rests probably a greater responsibility than on any other government department. Perhaps that is the reason why the most optimistic member of the cabinet is the head of that department.

I listened with keen interest and not without some concern to the minister's summary of conditions as he saw them and the rather delightful optimism he expressed in regard to the future, despite the fact that we have

had certain signs that our economy is not too healthy, and despite the fact that there has been some decline in the export of our lumber, lead, zinc, copper, iron and other products into our greatest market.

He expressed the view that the future was not as dark as some might think. I hope his optimism will be fully justified as time goes on. No one who has any appreciation of the greatness of this country can be other than a long-term optimist and, in fact, I am always more optimistic when I hear a rather fresh change of viewpoint from western Canada, particularly when I hear the hon. member for Moose Jaw-Lake Centre, who has just concluded, give some indication that he believes certain changes should be made. The changes the hon. member has advocated are not those which his party has advocated in the past, and they were to the effect that we should take more cognizance of the dangerous situation facing our industrial enterprises at the present time.

The Department of Trade and Commerce handles responsibilities which are vital to our normal prosperity, and indeed vital to our security, because only by sound economic development can we become as strong as we require to be in this ever-changing and troubled world in which we live at this particular time. Whether it is in peace or war our industrial development, as the minister has so ably pointed out today, and the changing economic situation through which we are passing demand that the government adopt certain changes in policy.

I am glad the minister has indicated some change in attitude on the part of the government with regard to policy. I do not intend to make a specific issue of the wheat situation as Mr. Speaker has asked us not to do so, but, as has already been pointed out today, we have a tremendous wheat surplus in Canada and no farmer or businessman in Canada is unaware that we have more unsold wheat today and less likelihood of selling it than at any time since confederation.

There is no farmer in this country who is not aware that we are selling pork to other countries for less than we are selling it to our own consumers in order to get rid of it, and that we have a tremendous surplus of butter. Dairymen are being encouraged to milk more cows, but under the present system the more cows they milk the more they will have to milk the treasury, because the butter is being sold at less than cost and the taxpayer is having to pay both the high price for butter and the subsidy in addition to that.

Therefore, Mr. Chairman, there are a great variety of problems facing us in this changing economic situation which demand of us a change in approach. This country has swiftly changed from an agricultural to an industrial country, and to the degree that we developed our industrial independence we strengthened our position during the recent terrible crisis of the second world war. No one knows that better than the Minister of Trade and Commerce, who played a very important role in the development of the industries of this country, and no one knows better than he the importance of maintaining what might be termed the industrial independence of this country.

Since that time we have watched the expansion of what might be termed a new industrialization such as has not been known before. It has often been said, Mr. Chairman, that we should buy if we want to sell, and how often have I heard that during the last quarter of a century in this house, especially from some of my friends to the left, and from the few free traders remaining on my right. They too have indicated that if you want to sell wheat you had better buy from the country to which you hope to sell.

In Canada that sounds plausible; it sounds popular to the voters; and it sounds pleasant to the ears of people overseas. But that is not always the rule. It is more popular and plausible than it is factual. The Minister of National Revenue appears to be somewhat in doubt. But he knows very well that even though this country bought $700 million worth more from the United States than we sold to her during last year, there is very little hope of the Minister of Trade and Commerce being able to sell much of the 700 million bushels of wheat to that country.

The fact that we have sold the United States many billions of dollars of goods since the latter part of the late century and over the present half of this century does not mean that now, when we are making a fire sale of pork and selling butter at less than cost, we will be able to sell wheat to the United States, or that the United States will take any of these products. You can buy billions of dollars worth more goods from the United States in future but that will not change the present situation.

On the other hand, the United Kingdom over this same period from the latter half of the past century to this half of the present century has given Canada a favourable trade balance every year, and the fact that we fell down in buying goods from Britain in

any one year did not make any very great difference in the amount of wheat, bacon, pork, or other agricultural products she bought from us. We have bought consistently in the old land down through the years and I will even venture to say, Mr. Chairman, that for nearly 70 years we have sold Britain more goods than we have purchased from her, and if the amount were added up I think it would be found that the United Kingdom has poured between $4 and $5 billion more into the trade channels of this country than we have poured into the United Kingdom.

Yet, as the hon. member for Eglinton pointed out this afternoon, we consistently put our trade eggs in one basket, and God help Canada if the handle of that basket breaks while someone else is carrying it. We have never at any time in our history been more dependent upon the United States economy than we are at the present time.

Our industrial independence should increase with our national growth, if we are as great as we believe we are. We boast about our great resources and our technical ability in manufacturing and industrial production. We should therefore not allow ourselves to be at the commercial beck and call of the United States. We should not be fixing our rates in Washington; we should not be fixing our tariffs according to the views of the United States; and we should not be on bended knee.

A few moments ago the hon. member for Moose Jaw-Lake Centre was somewhat critical of the United States. I do not think we need necessarily be critical. I think we should allow the United States to handle their own affairs and we should mind our own business. It is our business to look after Canada's trade, and it is the business of the Department of Trade and Commerce to look after that trade.

But, Mr. Chairman, when it was mentioned a few years ago by the leader of this party, and when it was proposed on different occasions that we should have a British commonwealth conference, that suggestion was scoffed at and cast aside. Despite the fact that others who sat here right at that time more or less scoffed at and ridiculed that suggestion when the leader of this party suggested that we should have convertibility of currency and should encourage it, today the Minister of Trade and Commerce told us that we are coming closer to convertibility. Today it was mentioned that the commonwealth offers the best chance for trade. Today it was mentioned by the Minister of Trade and Commerce that the United Kingdom has lowered tariffs more than has any other country and that next were the other British commonwealth countries.

The country that we have been growing more dependent upon throughout the years, the country from which we have been taking more goods—by $700 million last year, as was said by the hon. member for Eglinton this afternoon—than they purchased from us, was the first more or less to break the GATT agreement. As the hon. member for Moose Jaw-Lake Centre has just said, the GATT agreement more or less replaced, or was more or less taken as the alternative to the British commonwealth agreements. For that reason I know that document was looked upon with a certain amount of doubt by many, but everybody was almost afraid to mention it. It was looked upon and handled almost as carefully as if it had been some sacred document that nobody could even look into too far. It is bound to be good for somebody. It was a kind of gunshot prescription for world trade that nobody in the Department of Trade and Commerce ever could fully explain to us. Evidently nobody in the United States understood it at first; and when they did come to understand it, as soon as they understood it they partially repudiated it. It has done no good for Canada.

Yet hidden behind it some place there may be some good will, something that may do some good. It may have helped to sell a little bit of salmon to Spain. It may have helped to sell a few sardines some place else. But by and large it has been of very little use to us here. It seems to me that if we are going to develop as we should develop, more thought must be given to other lines of trade. In Canada there are many more things to sell than wheat, despite the fact that we have a tremendous surplus of wheat.

When the minister today mentioned the Randall report I could not help thinking of our historic dependence upon the United States of America. There are those who deliberately say there is no difference in party policy. Down through the years there has been a difference in party policy. Those who sat to your right, Mr. Chairman, have long since felt that because we live beside this great republic, this great and wealthy nation to the south of us, this most powerful industrial machine in the world, we must dance to their tune, rise with their prosperity and fall with their depression. That policy has been followed by my more or less senior colleagues across the floor who have been sitting here for many years. I know they say little except to themselves, but I know these gentlemen realize very well—or if they do not, their fathers do—what happened when their

party proposed commercial union with the United States of America back in 1887. They have not changed a great deal since then because the year before last we were doing almost two-thirds of our total trade with the United States of America.

We are not following the example of that country which is coming back faster than is any other country in the world. I speak subject to correction with regard to the figure, but I think it is either 27 per cent or 31 per cent of their trade that is with any one country. They have spread their trade all over the world. They were too smart to put all their eggs in one basket.

Again I say this as to countries that buy our resources. They buy them because they need them. They buy our iron ore because their iron ore deposits are failing. They buy our pulp and paper products because their forests have been depleted to a great extent. They do not buy our pork, even when we have to have a fire sale of it. They do not buy our butter when we are up to our ears in butter. They do not buy our grain when we have more grain than we have ever had before in our lives. They produce products of the same type as those that are produced in Canada. Mr. Chairman, I am convinced that the hour is rapidly approaching when we shall be in difficulty if we are going to follow that old popular appeal that has been hurled at us so often, namely, that in order to sell you must buy. This has not been proven to be the case down through the years because from the country to which we have sold the most, we have bought the least; and with the country from which we have bought the most we have had the most unfavourable trade balances.

Today the Minister of Trade and Commerce told us that we have had a tremendous expansion. We all agree. He stated that the United Kingdom removed more tariff restrictions against us than did any other country. Yet we had a favourable trade balance with her. New Zealand and Australia were more or less next. Mr. Chairman, their relationship is another indication that the commonwealth was never more vital than it is today. As convertibility is now coming on the horizon, as the minister has said, I suggest that a British commonwealth conference would probably be more acceptable now when this government needs to do something. I suggest that it is perhaps not too late to try to restore our position in the British market. The strengthening of United Kingdom and the British commonwealth relationships with Canada is of most vital importance and it promises the greatest outlet for our future.

The minister described how he has turned toward multilateral trade and mentioned that the GATT agreement expires in 1955. I am not going to go into that matter to any extent except to say that if Canada is going to have a place for all her vast industrial expansion, in order to assist the minister and the Department of Trade and Commerce, the one thing this country needs more than another is a general overhauling, a general research campaign, a general remodelling, revamping and readjustment of our whole tariff structure and our taxation structure in this country.

When you look at the taxation that is raising the costs of our production, you can then see the reason why the textile industries are going out of business in this country. You can see why heavy machinery is coming in here from Japan, West Germany and other places. Mr. Chairman, if you are going to maintain the high standard of living we have in Canada and pay our men for their toil three times as much money as is paid to others, then you cannot buy the things of those who are producing at that much less cost.

I can at least personally be somewhat in agreement with what has been mentioned by some of the Liberal members who ran their election campaign as free traders but who now scream for some change in fiscal policy in order to keep their industries from closing up in North and South Waterloo and in other places throughout this country. Mr. Chairman, there is no chance of our building up our hopes on an economy that is so false as to do nothing but expand the plants themselves and then, when we open the doors for the production of those plants, to say "We will buy the goods where we can buy them most cheaply", because we are following a free trade policy that is afraid to move until the harm is done.

I do not claim that any form of high protection alone is the answer any more than the hon. member for Moose Jaw-Lake Centre did this afternoon when he hinted that there is a change of heart in his group. I am not sure whether it is a change of heart or a change of hearts, but in any event it is a change of public thinking. It does seem to me, Mr. Chairman, that with all our great resources we will have a sale for iron ore to those who need ore, we will have a sale for Canada's No. 1 hard wheat to those who cannot buy that type and quality of wheat at any lower price. What the minister said yesterday—and some may be critical of him in this regard—is not what he said some time ago. I am glad he is a smart enough businessman to change because it is not long ago that he and his colleagues said they would not take less than $2.50 a bushel. Now he says we will sell at whatever price we have to take.

Those who sit to your right, Mr. Chairman, would never doubt the Toronto *Star*, and I read in it this morning that the United States of America may establish a price of $1.55 because they want to test the international wheat agreement. If they drop to $1.55 and the signatories to the agreement refuse to take wheat at that price the agreement will collapse. Then what? Then it will take some smart businessman like the Minister of Trade and Commerce to catch up to the parade and sell, as he said the other day, where people will buy. He will sell at similar prices for similar grades. The old law of supply and demand has been cruel and hard down through the years.

**The Deputy Chairman:** Order. I think perhaps the hon. member will not object if I interrupt to say that I think he and others have adhered very well during today's debate to our tacit agreement to which it has been rather difficult to adhere, but I do not think he will mind me saying at this time that if on this item he should make critical remarks with respect to the sale of wheat others will perhaps feel that they should follow suit and others will feel that they should reply. I am sure the hon. member was merely using wheat as one example in his criticism of the Department of Trade and Commerce, but may I suggest that it would assist all of us in this rather difficult position if he would choose another example. I may tell the committee frankly that I have no desire, if I can help it, to be forced into making a ruling today because if I have to then of course we will have to enforce it, and I think we can get along better by consent than by a ruling.

**Mr. Rowe:** Mr. Chairman, I certainly bow to your ruling. I would not want to set any bad examples or dangerous precedents in the house, which follows the rules so diligently and strangely at times. But I do feel that in this ever-changing pattern, to which the Minister of Trade and Commerce referred this morning, there is one other item we should not forget. We should not forget the greatest market of all, one that is not very often mentioned in the house, the one that is the most stable, the one that is the soundest, the one that we can depend on most and the only one we control, the home market. If you can keep men employed so that they are able to buy the products of the soil and are able to live well and happily in their homes you will keep the home market going.

The minister has told us today that the outlook for the export of industrial products is not too bright. Our imports are not quite as large as they were last year but they were very heavy last year. Therefore while the outlook for the export of our manufactured products is not too bright, competition for imports is ever keener and stronger. Oh, how the government lectures industry on cutting costs and improving efficiency. They certainly should be good advisers because there is no institution in all of Canada that knows more about high costs than the government does.

We have spent money faster than at any other time on civilian affairs and, indeed, by all the signs we seem to have got less for what we have spent on military affairs than at any other time. We have spent more for military purposes in the last three years than we spent even during the war. But, Mr. Chairman, it has often been a pastime for those who think it is popular to tell industry how it should operate. I represent a riding that has very little industry. It is mostly agricultural. The industrial people of this country, the manufacturers, have been more or less whipping boys for the politicians since confederation.

I sometimes wonder if we ever pause to realize that today the industrial enterprises of this country are only handling half of their proceeds because with the very high rate of income tax today the government is a powerful silent partner that has taken more than 50 per cent of their total net proceeds every year until lately and is still taking about 50 per cent. Therefore it is not possible to pad any books as some suspicious politicians may have thought was done in years past. The income tax branch is on the watch. They watch the money coming in to a far greater extent than they watch the money going out. They have watched it very carefully. There is no camouflage in that regard whatsoever.

Yet at the same time the industrial companies of Canada are only making an average of 4 to 4½ per cent. I certainly do not want to be a pessimist. I am not preaching blue ruin. I am not trying to contrast what I think are the economic realities with the delightful optimism of the minister. But I do suggest that there are many signs to indicate that the government should revamp its whole tax structure and reorganize and readjust our tariff structure as well if we are going to make the vast industries that have been built in the last two or three years, and about which we have been bragging, sound operating plants that will give employment to the thousands and thousands of people who are today unemployed and the

thousands more we should have in this country through immigration. If we had sound fiscal policies we could develop that greatest of all markets, the home market.

I do not mean for a moment that the home market will consume all of that product you will not let me talk about, Mr. Chairman, but it will consume a great deal. It will consume a great deal of the butter that the government does not know what to do with. It will consume a lot of the pork that we are selling at fire-sale prices and it will give employment to many more people than are employed at the present time. We have a great industrial structure built up and yet at the same time the products that it is intended to produce are entering this country at a greater rate than they have for many years.

I am not going to delay the item any further except to say once again that I believe it is unfortunate that this young country, at a time when we are boasting about our greatest growth and prosperity, is increasing its dependence on the United States of America instead of decreasing it. Again I want to emphasize that our objective should be as great a degree of industrial independence as any country of our population can have, for no similar number of people in the world enjoy such resources as we have. As the minister has so well said, we have iron ore, minerals of all kinds, oil in western Canada in an almost immeasurable amount. The richness of this country is a heritage of which every citizen is proud. Despite GATT, despite our international relationships, I believe it was never more important, in view of the dangerous signs we see on the horizon, for us to have that degree of industrial independence which will create economic safety and, indeed, eventually military safety. I believe that Canada must look after her own business. I know there are many things we can buy from these other countries and there are many of our products they must always buy from us, but I do believe—and it is not an old-fashioned idea but the most progressive and advanced idea that Canada has ever had—that our own resources must be developed by our own people.

**Mr. Castleden:** I do not know whether or not the minister is enjoying this little session this afternoon. Perhaps if he has his staff there he might answer one question I should like to ask concerning the department. It has to do with the reported sale of some nine million pounds of canned pork to Russia recently. So far as we can get the story from the answers of the department, this pork was purchased at the time the foot-and-mouth disease embargo was imposed. Some of this pork was stored for a while, and then later canned under orders of the government and paid for by the government at a cost of between 50 cents and 60 cents per pound. Later on the government called for tenders on this pork and it was sold at something less than 17 cents per pound. Almost immediately a market was found in Russia by the private enterprise firm, I believe in this case it was Canada Packers. What price they received is not known, and I do not suppose the departmental records would indicate that. I should like to know, and I believe the people of Canada would like to know, why it was that the agents of the department were unable to find that market for Canadian canned pork.

While the minister's staff is looking up the answer to that question perhaps I might make a few general remarks concerning the administration of the department. The people of Canada recognize that in peacetime the Department of Trade and Commerce is the most important department so far as their welfare and prosperity are concerned. We cannot hope to so live within our own borders that we are going to become prosperous by taking in our own washing. The extent to which Canada is able to exchange her surplus goods with other countries, and the extent to which we can economically use our goods within our own borders, will determine the extent to which we are able to keep our factories busy, keep the men employed in the mines, the forests and in agriculture. The policies of the Department of Trade and Commerce decide the prosperity of Canada.

The minister's report today was not one to give the Canadian people a great deal of hope that the prosperity of which we heard so much twelve months ago is going to be maintained. Our record with regard to the fishermen on both coasts, the coal workers in the maritimes, the textile workers, the farm machinery workers, the automobile workers and now the agriculturists on the prairies makes the outlook rather grim. The figures for unemployment are rising in an alarming manner. What is the hope for the people of Canada in this situation? What can we give to these people in the way of hope? They are looking to this superman from the Department of Trade and Commerce, a man whose ability is recognized all across Canada as well as in other countries, to solve their difficult problems.

Yesterday he told us that we must remember we are living in a competitive world. We

must face the facts of life. When he gave us the figures upon which we are to base our hope for prosperity, our hope for trade, really the foundation was revealed to be rather flimsy. Why is it that we always get into this trouble in this competitive world in times of peace? Is it because there is no competition in time of war? Is it because in wartime we can let cost-plus contracts to those who can get them? There is no competition at all in cost-plus contracts. You can employ labour at whatever price you wish because it is paid for under the contract. As soon as we get out of a war episode, a period of war, we have Canada drifting back along with other countries into a period of recession, depression, unemployment, with factories closing and lower prices.

The agricultural workers in the United States have got their government to give them some form of protection against the trouble which may occur when they try to sell their surplus products. In so far as Canada is concerned the agricultural producers must bear the strain of whatever price the government is going to get for their commodities. If there is a price war, then down goes the price, and where it goes to is apparently no concern of the government. They have already stated their policy on more than one occasion in this house, and very emphatically, that they intend to do nothing about giving agricultural producers advances on their production.

The job of the farmer is to produce, and he is doing that job. With the help of nature, with good times and with some return for his work, he is able to solve the problem of production. But you cannot expect him to solve the problem of selling that commodity. He is entirely dependent upon the policies of the cabinet and the administration of this department. When world trade and when Canada's trade in the world is maintained at a high level, we can find markets for our products by sending our people out into the world. If we do that well, then the agriculturists will prosper. If we do not, then he is at the mercy of a price war or any other economic circumstance which may occur.

In the competitive world of today Canada finds herself in a rather difficult position. Our high-priced economy, brought about by high prices during the war and the prosperity we enjoyed during the war, has left us in a difficult position when we have to place our goods alongside the goods of other countries. If we cannot place our goods alongside the other goods at similar prices, then we have to accept lower prices or the goods will not be sold.

The minister's statement today was a surprising statement, and one which I believe marks a change in his attitude. No longer is there the optimism that everything is all right; we are just as well off as we were last year and we are up over the ten-year average. We did not hear the old statement that when the ice goes out of the lake everything will be all right. Now he says it is not the Department of Trade and Commerce or this parliament that will decide. We must depend on the constructive leadership in the United States. If the commercial policy is favourable, we can go forward with hope. If it is not, it will be difficult to look forward with any degree of optimism.

**Mr. Howe (Port Arthur):** May I point out, Mr. Chairman, that I was talking about GATT when I said that. The lack of optimism was about the future of GATT, it was not about the future of Canada. I hope my hon. friend is not trying to distort my words.

**Mr. Castleden:** No, I am glad to have that from the minister. It is our relationship to GATT upon which, to a large extent, depends Canada's ability to establish any degree of prosperity. The minister admits our economy is slowing down. He maintains that our slowing down is much less than the slowing down in the United States. I am not going to argue the matter with him, but I believe the figures of unemployment in Canada show that we have a greater degree of unemployment, relative to our population, than they have in the United States. Since when have we become so dependent upon the United States, that big giant neighbour which serves this continent with us? Is that the only constructive hope we have? Are the markets of the world to be closed to us; are those markets closed because of our high-priced economy, and because the goods Canada offers are priced pretty much along the same line and at about the same level as those of the United States?

If we are going to depend upon United States prices, then I say the future of the Canadian agricultural producer is very dim, indeed. I say that because we have exactly the same kind of agricultural surpluses they have. Even with GATT they are not looking out for the Canadian producer; they are looking out for themselves. And thus far, at home, they have looked after themselves very well.

If we are going to have to depend upon the consideration our neighbour to the south will give to our producers, then I say things look very dark indeed. The minister says Canada must recognize that she lives in a competitive world. In this competitive world we find ourselves caught; we are left out in the cold because of a price structure and a cost of living that has priced us completely

outside the world's competitive markets. How are we going to get back into those markets? That is the problem facing the minister, and it is a difficult one.

The problem confronting the Canadian government at this time is that of proving that in a competitive world Canada can hold her place, that in a competitive world Canada can provide prosperity for her people in times of peace. And that is the only time we have competition. This objective has not yet been achieved, to any appreciable extent. We knew prosperity shortly after the first war, after 1918. We knew the depths of depression and unemployment prior to 1940. We knew prosperity throughout the second world war and during the episode in Korea. But just as soon as we got out of that we found ourselves faced with an economic crisis.

How long are the people of Canada going to look at the economic problems facing this country and say that we must continue to live in a world which will condemn us in times of peace to a state of depression and want? Surely the choice of the Canadian people must not be between that of having war and prosperity on the one hand or, on the other, peace with unemployment and depression.

The challenge which faces the government, and particularly the Minister of Trade and Commerce, is to prove that the economy under which we live is one which can provide the Canadian people with prosperity in time of peace, so that they may have proper returns for their labour, as well as the right to work and the right to build their homes under natural conditions such as prevail in a competitive economy of this kind.

If this challenge is met, Canada will be pleased, and the members of this group will be pleased. I am sure that in this group there are very few who think the minister can do it. If he can, then we will welcome it as a sign of great achievement. If he cannot, and if conditions continue on the downgrade in the next few years as they have in the last twelve months, those people who have been forced to swallow the medicine of this competitive world will be rising in their places throughout the country and demanding something better.

**Mr. Howe (Port Arthur):** Mr. Chairman, I have been asked a question which might better have been asked of my colleague the Minister of Agriculture, because the actual plan for the disposal and handling of the pork throughout the period in question was carried out by the agricultural prices support board, which reports to the Minister of Agriculture. However, the facts of the pork situation are well known. We had in western Canada an outbreak of foot-and-mouth disease, and because of the foot-and-mouth disease there was an automatic embargo on the part of the United States, on the part of several South American countries who normally offer a market for our canned meats, and on the part of certain European markets.

We were surplus producers of pork, and the government believed that the producers of pork should not be called upon to bear the brunt of the damage resulting from the outbreak of that disease. Therefore it undertook to buy the surplus pork at a floor price which, in my opinion, was very generous indeed. It was the full equivalent of the price at which pork was selling at the time of the outbreak of the disease. That pork was bought. Of course, it took only a short time to fill all the storage space we had; and then it became a question of what to do with the pork.

I am sure my hon. friend would not suggest that we bury it; he would not suggest that we build new cold storage plants in which to store it. We took what we thought to be the only practical way of preserving the food value of the pork, and that was by putting it in cans. I may say that no one was under any illusions that we were going to recover the full cost of that pork after it had been canned. Pork that is canned is not the choice cuts. They are the parts of the animal that are not readily saleable as fresh cuts. Therefore they bring a lower price than could be had when the entire animal was being put in cans.

We canned that pork, and I think my hon. friend was perfectly correct when he said that it cost about 65 cents a pound when canned. Then we had the problem of getting rid of it. We put it on the Canadian market—I believe it was put on at about 35 cents a pound, which seemed to be the price which would be attractive to the Canadian buyer. We sold all we could in that market over a period of about two years. We offered it in other countries at a price no lower than the price at which it was selling in Canada, and we were able to move the bulk of it.

But expert opinion was that it was not safe against spoilage for a period longer than two years. As a matter of fact on inspection it was found that the odd can was beginning to turn colour. At that stage it became a disposal problem, not a marketing problem. Tenders were called for the pork, and bids were received from a number of firms in Canada and outside Canada. The remaining pork was sold to the highest bidder, which happened to be Canada Packers. The sale

was outright, with only one provision, that the pork should be sold off the North American continent, because we did not wish to become involved in any dumping problem with the United States, which has very strict laws against the dumping of agriculture products.

After a considerable interval Canada Packers were able to find a market for the pork in Russia. I think they had bids from other European countries, but the bid from Russia was the highest they received. They sold their pork to the Russians. Of course, the government had no interest in the latter phase of the transaction. It had disposed of its ownership of the pork by public auction to Canada Packers.

**Mr. Castleden:** Were the minister's agents asked to sell this pork, or was it done through the Department of Agriculture?

**Mr. Howe (Port Arthur):** We were looking for markets abroad throughout the period and we did arrange sales of pork outside Canada from time to time. But when the disposal problem became immediate, all the pork remaining was put up at auction with the concurrence of my officers. We believed that the possibilities of marketing as an edible product in small lots had come to an end, and therefore it was a disposal problem when the remaining pork was put up at auction.

**Mr. Castleden:** Has the minister the figures for the total amount that was canned?

**Mr. Howe (Port Arthur):** No, I do not know.

**Mr. Bell:** I am a little hesitant about getting into this discussion on the United Kingdom markets after the very fine speeches by the hon. members for Eglinton and Dufferin-Simcoe, but I feel I must say a few words and try to relate this loss to the maritime economy. Incidentally, Mr. Chairman, you can sit back and relax because there is very little danger of my mentioning the word "wheat" in my remarks. Somebody has said that 1953 and 1954 will be the most critical years in our foreign trade since the days of confederation. With that I agree entirely. As we move into our position as the third greatest trading nation in the world we are developing closer ties with the United States and looser ties with the United Kingdom. I do not know where the expression "to put all your eggs in one basket" came from. I imagine it has a Canadian origin; it goes back to at least last year when the minister mentioned it in the estimates. We have never caught on to that expression down in the maritimes. We simply refer to this change that has come into our trading world as the loss of our traditional United Kingdom markets.

I do not want this to be considered as a plea, Mr. Chairman, or even an attack on the department. I simply wish to point out that our position and our economy today in the maritimes are in very serious trouble because of the loss of the United Kingdom traditional markets. It has been very well dealt with by the hon. member for Eglinton. I would just give one quotation to cover the picture. I am quoting from the *U.S. News and World Report* of December 11, 1953. This is a special article on the trade of our nation with the United States and the United Kingdom. They point out that Canada's trade is shifting, and they say:

> Back in 1935-39, the U.S. and Britain used to buy about the same amount of goods from Canada. Today, the U.S. outbuys Britain nearly 4 to 1. As a result, Canada now looks to the U.S. for about 60 per cent of its export market and about three-fourths of its foreign supplies.

It goes on to say:

> So, on trade, Canada is running a deficit of about a billion a year in its dealings with its big southern neighbour. Close ties with the U.S. can be a problem, as well as a benefit.

There is no doubt that today in Canada we have an unfavourable balance of trade. While there are some serious worries over this condition in the future, I think that at the present time things are not too bad. Certainly central Canada is benefiting to a great degree from traffic across the border, from this north-south condition, but we in the maritimes do feel this loss that I have referred to. It is not a case of the sentiment that we might have for the traditional markets; it is simply that our economy has been completely distorted and wrecked owing to the fact that we have no outlet for our primary produce, and also to the fact that our ports of Saint John—and I think I can speak for Halifax —really miss this United Kingdom and to some extent European trade.

The national harbours board figures which were released a short time ago showed that in 1953 the ports of Halifax and Saint John were the only ports in Canada which showed decreases in tonnage figures. It is not difficult to follow along from there and show that most of the tonnage to go through our ports is traffic and trade with the United Kingdom and to a small degree with Europe. That is the situation, Mr. Chairman, and I am calling it to the attention of the minister to show him that our problems are very serious down east in that respect.

Various changes could be referred to in our relations with the United States. I will not

spend too much time on them, but the United States has already flouted or perhaps misused or taken advantage of the escape clauses in the GATT agreement. Import restrictions have been placed on various commodities by the United States, and we shall probably hear of more in the future. There is the worry that a trade recession will hit the United States to a much greater degree than other countries, and of course we shall feel the loss first in that respect. We also have the problem of dumping here which of course is tied in with our trade with the United States.

I could refer generally to a recession that might affect the economy of the United States. Recently they have felt perhaps a slight recession, more so than we have. Unemployment was every bit as bad over there, if not worse, than in Canada this past year. Their textile industry is in the same dire straits as ours is, and generally speaking there has been a recession in the United States that is much more noticeable than here. We are tying ourselves to their economy in a very dangerous fashion when we count on them for so much of our export and import trade.

There is no reason why we should be tied to the United States. We can go back in history to 1911 and previous times and we shall find that it has been quite a political issue. I refer to this tie and relationship that we have with our friends across the border. Very few valid reasons could be given for being tied up in this way.

I simply suggest, Mr. Chairman, that we have our difficulties in the maritimes over the loss of our markets. It is really serious. I could not help thinking the other night when the minister referred to an Ontario member. He referred to him as my hon. friend down east. I do not think that is in keeping with our traditions, to refer to anybody in central Canada as an easterner. The minister has certain interests in the maritimes and always has had. When he is down on his well-deserved holiday at St. Andrews this summer he might take a day off and come up around Saint John and I am sure that inquiries will convince him that we are really feeling the pinch in our economy over the loss of our traditional United Kingdom markets.

I should like to close with this quotation from the *Canadian Chartered Accountant* of March, 1954, at page 146:

> Canada today is facing some crucial decisions with regard to her foreign trade pattern. Based on our recent experiences, it is apparent that new fundamental policies are in order. Our present pattern is one in which two-thirds of our foreign trade is transacted with one country whose reliability as a stable market is far from assured. The year 1954 promises to be a year for bold decision, requiring all of us to reorientate our thinking in accordance with the economic realities of the age.

**Mr. Nicholson:** Ever since I came to parliament in 1940 the minister has been doing a great job. During the war years he earned the title of the czar of his country. I just made a note of some of the responsibilities he had during the war: aircraft production, synthetic rubber, shipbuilding, steel, lumber, cement, T.C.A., radio, and housing. He had the good fortune to have a blank cheque and members in all sections of the country are agreed that the money was not squandered, and the department of munitions and supply played a very important role in the winning of the war. However, I have a feeling that the minister's role for the next few years is not going to be so easy. Just as his was the responsible portfolio during the war, the Minister of Trade and Commerce will have to take the major responsibility for the government in seeing that a high level of employment is maintained in Canada, and a maximum volume of trade and commerce.

I will mention merely a few of the industries which are now causing concern. We have had delegations in Ottawa during the life of the present session, from the textile industry, the farm machinery industry, the automobile industry, and from agriculture. These represent important sectors of our Canadian economy. The illness of one not only affects the health of the others, but that illness affects every Canadian, and the representations made by the spokesmen for these four groups I have mentioned would indicate that their problems require immediate attention.

I am more particularly concerned naturally with the problem of agriculture and I am afraid I cannot go along with the hon. member for Dufferin-Simcoe who suggested we had good times when his party was in office. The minister gave us some figures last night which went back for a number of years. But from his department this morning I also received some figures which indicate the amount of the national income which has gone to agriculture over a period of years.

I will go back to 1926 which is the best year the farmers ever had, when 14·8 per cent of the national income went to agriculture. Just under 20 per cent of the Canadian people come within the category of farmers so in the good old twenties 20 per cent of the people had 14·8 per cent of the national

income. The farmers took their worst beating during the depression and in 1931 their share of the national income went down to 2·9 per cent. In 1932 it was a little better when they received 4·1 per cent, and in 1933 they received 3 per cent. During the war years the farmers got up to 12 per cent and it was 12·1 in 1944. It dropped after that but in 1948 it again went up to 12·1 per cent. In 1951 it rose to 12·3 per cent, and last year, 1953 it went down to 8·8 per cent.

Well, Mr. Chairman, I think that when just under 20 per cent of the people are getting about 8 per cent of the national income it is the responsibility of their friend and advocate, the minister who is in charge of trade and commerce, to do something to see about getting a better market for their products, or by some means see to it that those who have been regarded as the salt of the earth should have a fair share of our national income.

During the war the minister and the cabinet demonstrated that it was possible to plan our production and consumption with a high level of employment. During the depression years we balanced our production and consumption with a low level of production and lower standards of living every year. During the war the minister was in charge, as I said, of shipbuilding. As I recall it, there was one year when every week a ship was launched and loaded with Canadian goods and was sent to the bottom of the ocean before it reached the other side. In other words, we were just holding our own—the submarines were sinking our shipping at the same rate as we were building and loading our ships.

Yet it seems strange that during that period Canadians were able to use Canadian materials and workmen to build ships, fill them with lumber, wheat and metals and send them out on their way to join in the battle for freedom. Before these ships reached their destination they went to the bottom of the ocean, but in the process we were able to create prosperity for those in the shipbuilding industry and those engaged in the manufacture of the products that went into the ships.

Having been able to do that with a million of our youngest and strongest people in the services it would not seem unreasonable to expect the minister now and somehow to find a formula to solve our difficulties. It would seem that the same people who worked in the shipyards and in the forests should be able to find some constructive work.

Those of us who sit in this part of the house have some theories we think sound. The minister has never advocated these principles and has never been elected on a mandate to carry out the policies we would advocate. But he was elected to carry out a mandate to provide full employment and a high standard of living for the Canadian people.

The right hon. gentleman is one of those who demonstrated during the war years that what were hitherto considered to be impossible tasks were very easy tasks to perform, and now that we are facing a crisis, which is in many respects very serious, he has another opportunity to demonstrate his ability. The minister has not publicly admitted that the situation is serious, but it is not going to be very long before we have an increasing number of industries, besides those which I have mentioned, which will be coming to the cabinet to place their case before it.

I have letters here from a number of municipal secretaries in my constituency regarding the position of tax arrears at the end of 1953. I think it is very clear that everyone wishes to pay his taxes as soon as he can and if he can and that is true of every country. Taxes and death are certain in every country. In the Hazel Dell municipality arrears in December were $80,000 compared with $68,000 in 1952; in the Buchanan municipality the arrears were $44,000 in 1953 compared with $32,000 in 1952; in Livingston the arrears were $31,000 compared with $24,000; in Keys the arrears were $47,000 compared with $38,000; in Invermay they were $26,000 compared with $21,000; in Porcupine they were $80,000 compared with $78,000; in Kelvington they were $45,000 compared with $39,000; and in Moose Range they were $97,000 compared with $89,000. These municipalities are located in a part of Saskatchewan where we have never really had a crop failure or poor crops. It is a choice part of the country—

**Mr. Gour (Russell):** They have good crops and good prices but they do not pay their taxes.

**Mr. Nicholson:** It is not as my hon. friend suggests. The western farmers are not rolling in the lap of luxury. It is true a great many farmers have cars and their position is much better than it was at any time during the thirties; it is no use denying that and I would be the first to admit it. When farmers get 8 per cent of the national income they are in a much better position than when they get 3 per cent, but it is as plain as A B C that when 20 per cent of the people only get 8 per cent of the national income they are not getting as high a standard of living as they should have. That is one of the reasons why you have arrears in taxes.

Therefore, Mr. Chairman, I think the problems of the farmers, the textile workers, the farm machinery workers, and the automobile workers—other hon. members can speak for the fishermen, lumbermen, and coal miners who have problems in a great many parts of Canada—should be dealt with now, and I would suggest that the Minister of Trade and Commerce is going to have to give some leadership in the cabinet which, apparently, is not facing up to these problems.

May I say just a word about trade with the United Kingdom. As I said previously, I had a short visit in the United Kingdom last fall. I had not previously been aware that the bomb damage done there by the war was as extensive as it was. I feel that we have made a mistake during the years in not accepting a fairer share of the total cost of the war. I think we asked the British, who were exposed to bomb damage and enemy action every night, to carry a share that was greater than their fair share.

I think we must realize that we are living in a very small world. If the British now find it necessary to go into other parts of the world to buy their wheat at a price lower than that which is being offered in Canada, the fact that during the war we sold wheat to Great Britain at a price that appeared to be lower than the world price does not mean that we can now ask that the British standard of living should be driven lower and lower when we are unwilling to accept from the British a larger volume of their goods.

I think the Canadian people must realize that unless we are going to make it possible for more British goods to come into our country, and unless we are going to accept the fact that part of the cost of repairing the war damage in Great Britain is a legitimate cost for the Canadian people to bear, we cannot expect to have as large a volume of Canadian goods going into the British market as we have had going there during past years.

What I have said of Canada is, of course, more applicable to the United States. During two wars our rich and powerful neighbours to the south sat on the sidelines for too long a time. Of course, when they finally came in, their help was an extremely important factor in turning the tide. Nevertheless, there is no doubt about it that at the end of both wars the United States found itself in a much stronger position than it was in at the beginning. For the sake of the free world, I think the United States should be carrying a larger share of the cost of repairing the war damage in Europe and of helping the people in the underprivileged countries of the world to get a standard of living that is more comparable with that in the United States.

I therefore suggest that the minister act on the proposal made by the hon. member for Assiniboia with respect to trying to negotiate with the United Kingdom with a view to having a larger volume of British goods come into Canada on a basis similar to that on which we bought our rubber or our silk during the war. The Minister of Trade and Commerce bought up large supplies of silk and rubber. Had it not been for his foresight and that of his department, the outcome might have been different. I think it would be quite legitimate now for the minister to set up a board, similar to the one he had then for the purchase of silk or rubber, to purchase these commodities in Great Britain and to supply them through the regular channels in Canada, so that more British goods could be consumed in this country and so that the best customer we have had for so many years should be able to continue to purchase and to use Canadian goods.

**Mr. Murphy (Lambton West):** I just want to make one observation, Mr. Chairman, with regard to pork. The minister has more or less given the assurance that, under the tender, it was stipulated that the pork would be shipped outside of the North American continent. In the minds of some people there seems to be some doubt whether that stipulation was carried out. I have no very good reason for saying that, except more or less rumours. I wonder whether inquiries could be made in order to satisfy the committee that that agreement was carried out.

On March 30 the Secretary of State for External Affairs tabled a copy of the international sugar agreement for the regulation of the production and marketing of sugar. At that time he indicated that this matter could be discussed when the estimates of the Minister of Trade and Commerce were being dealt with. I intend to be brief and I intend to deal only with the agreement as it affects Canada. This agreement apparently came into force on January 1 of this year. When he spoke on March 30 the minister said that his purpose in rising was merely to inform the house of the intention of the government to participate in the international sugar agreement.

There are only one or two aspects in connection with that agreement that concern me at the moment. I have here a copy of the international sugar agreement that is set out in the *International Sugar Journal* dated

November, 1953. I am first going to quote article 14, paragraph 1, which reads as follows:

For each of the quota years during which this agreement is in force the exporting countries or areas named below shall have the following basic export tonnages for the free market:

| | Thousands of Tons |
|---|---|
| Belgium (inc. Belgian Congo) | 50 |
| Brazil | 175 |
| China (Taiwan) | 600 |
| Colombia | 5 |
| Cuba | 2,250 |
| Czechoslovakia | 275 |
| Denmark | 70 |
| Dominican Republic | 600 |
| France (and the countries France represents internationally) | 20 |
| Germany (Eastern) | 150 |
| Haiti | 45 |
| Hungary | 40 |
| Indonesia | 250 |
| Mexico | 75 |
| Netherlands (inc. Surinam) | 40 |
| Peru | 280 |
| Philippines | 25 |
| Poland | 220 |
| U.S.S.R. | 200 |
| Yugoslavia | 20 |

My information is that as of May of this year Colombia, Denmark, Germany, Indonesia, Peru and Yugoslavia have not ratified the agreement. The next portion I should like to read is to be found in paragraph 1 of article 16 which reads in part as follows:

The government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the British West Indies and British Guiana, Mauritius and Fiji), the government of the commonwealth of Australia, and the government of the Union of South Africa, undertake that net exports of sugar by the exporting countries covered by the commonwealth sugar agreement of 1951 (excluding local movements of sugar between adjoining commonwealth territories, or islands, in such quantities as can be authenticated by custom) shall not together exceed the following total quantities:—

I am not going to include the various quantities, but I am going to read the next part of the paragraph which is as follows:

Subject to contractual obligations assumed by the governments concerned under the commonwealth sugar agreement of 1951, the quantitative limits for the calendar years 1954, 1955 and 1956 specified above shall not be varied and the provisions of all other articles of this agreement shall be construed accordingly.

Then the next paragraph is the one which I think contains the essence of what I want to convey to the committee. It is paragraph 2 of article 16:

These limitations have the effect of leaving available to the free market a share in the sugar markets of commonwealth countries. The governments aforementioned would, however, regard themselves as released from their obligation thus to limit exports of commonwealth sugar if a government or governments of a participating exporting country or of participating countries having a basic export tonnage or tonnages under article 14(1) should enter into a special trading arrangement with an importing country of the commonwealth which would guarantee the exporting country a specified portion of the market of that commonwealth country.

No doubt Canada was represented at that conference by an official of the Department of Trade and Commerce, and I am wondering how this particular paragraph was made part and parcel of the sugar agreement. To put it in other words, Canada, a member of the British commonwealth of nations, did enter into an agreement with an exporting country, Cuba, for the purpose of increasing trade between the two countries and took a certain amount of sugar from that country. This particular paragraph of the agreement refers to only one country in the British commonwealth, and that country is Canada. It is true, as I understand the situation today, that the sugar refiners of this country are accepting raw sugar from Cuba and refining it here as required. However, to me the situation is a bit delicate so far as Canada is concerned. I have some questions I should like to ask on this matter and when the minister is replying to them I would ask him to refer to the representations made on behalf of Canada by our representative at the time this agreement was tentatively signed. My questions are:

1. Has our government already indicated it intends to ratify the international sugar agreement?

2. Canada is the only commonwealth importer of sugar of any consequence outside the United Kingdom. Since article 16 (2) in effect singles out Canada as a commonwealth importer of sugar, and makes it impossible for Canada to freely enter sugar trading arrangements with any non-empire exporter of sugar, does the minister recommend that the international sugar agreement be accepted in the form tabled in this house on March 30?

3. Has the government registered objection to article 16 (2)?

4. Is it the government's intention to officially object to this clause?

5. The United States has ratified the international sugar agreement with the condition that any change in the treaty terms must be approved by a two-thirds vote. Has the Canadian government considered provisionally approving the international sugar agreement with the exception of article 16 (2)?

6. Would the minister outline what benefits will accrue to Canada if we become active participants in this international sugar agreement?

**Mr. Howe (Port Arthur):** Perhaps I could answer the questions about the sugar agreement. The sugar agreement really produces a cartel, if you like. The principal producing countries in the world have formed themselves into a group and signed an agreement. The agreement provides principally that sugar will not be sold below a minimum price of $3.25 per hundred pounds and that it will not be sold at a price above $4.35 per hundred pounds. Sugar is to be sold within that price range, and the agreement provides that acreage shall be reduced in case of surplus or increased in case of shortage.

You ask why Canada signed. I do not quite know why we signed except that our principal trading countries were very anxious that we should. The United Kingdom asked us to support the agreement. Cuba, with whom we had developed a good trade, made a similar request. Before we did so we got an agreement from Cuba in the most explicit terms that the favourable trading conditions that we enjoyed in Cuba as the result of our purchase of Cuban sugar for a three-year period would carry on without that purchase, provided Canada would sign the sugar agreement.

We do not like cartels. We do not like to be members of them. However, there seemed to be no penalty in it and therefore we decided to sign the sugar agreement. Canada is free to buy its sugar from any member of the agreement, which includes practically every sugar producing country that Canada has ever patronized. We can see some advantage in a stable price. The difficulty that our beet sugar producers had in the past resulted from an abnormally low price in the cane producing areas. The fact that there is a cartel among the producers is a protection to our sugar beet growers and the fact that there is a maximum price, which is quite reasonable, is a protection to the consumers of Canada.

Perhaps the effect of the agreement as far as Canada is concerned will be beneficial. There is a penalty with respect to special exclusive agreements being made between a member of the sugar cartel and an outside purchaser. Canada cannot be penalized because there is no way of penalizing Canada under the agreement; but if we made an exclusive arrangement with Cuba, as we did in the three years previous to the agreement, Cuba could be penalized under the terms of the agreement. However, no such agreement has been made.

Our three-year agreement terminated at the first of January of this year and the sugar agreement was signed subsequent to that date. We are a member of the agreement but we have no special arrangements with anyone. Our refiners buy their raw sugar where they please and make their own arrangements as to price. The government is out of the sugar business, I am happy to say, and I have heard no repercussions from any source on that account. I hope that answers the questions. If there is another question perhaps the hon. member will ask it again.

**Mr. Stuart (Charlotte):** I should like to ask the minister if in his opinion coffee, as well as sugar, is perhaps handled today by a cartel.

**Mr. Howe (Port Arthur):** I am sure the price would not be any higher than it is. If you could stabilize the price of coffee within a reasonable range that might be helpful, but coffee is a more restricted crop. Sugar is grown in a good many countries and is susceptible to sharp increases in acreage and sharp decreases when the plants in an area are diseased. No one has ever suggested a coffee cartel that I know of, and I hope no one ever will, because I do not like cartels and I do not think the people of Canada like cartels or anything about them.

**Mr. Blackmore:** Can the minister tell us what these prices were based on? Were they based on raw sugar?

**Mr. Howe (Port Arthur):** The prices are for raw sugar f.o.b. Cuba.

**Mr. Mang:** I should like to say a few words at this time and in doing so it is not because I feel myself competent or qualified to advise the Minister of Trade and Commerce or anyone else in the house. There are a few matters with which I wish to deal, but I can tell hon. members that I will not make a speech on wheat. Since those in this corner have started to call me Mr. Wheat I thought I would set hon. members' minds at rest at the outset by saying that I am not going to deal with that unmentionable subject at the moment. I just rise to try to keep the record straight on a few things that have been brought up during this discussion. We have listened to some of our friends from Saskatchewan who are not as timid as I am vocally, and yet I feel that in justice to Saskatchewan and a large number of people who live there engaged in this business of providing such a large proportion of our export market with this cereal, which is our only visible means of support, I should like to keep the record straight.

Before doing that, I want to register this comment. At the moment in trade and commerce we are in a period of readjustment throughout the whole world. For a number of

years since the war there has been a great disparity between ourselves and those upon whose areas the battles were fought and a great deal of destruction took place. The standards of living of these people, who suffered most during the war, were brought to a very low level. Naturally, when the people of London and Berlin, as well as other areas, lived in rubble, with no visible means of support, the standard of living was very low. We on this continent, the great industrial machine of the world, were relatively untouched. Immediately after the war there was a period in which we began to supply the wants of those people in order to try to rehabilitate them. The United States gave grants to the work, and so did we.

As soon as the people in those areas began to find their feet, as it were, naturally they went into the business of production. They could produce at a lower figure per hour than we could because their standard of living was low. Even 25 cents or 50 cents an hour looked big to them, and Britain and the rest of these countries that suffered so much are coming back. In this process, we on the North American continent built up for ourselves a very high standard of living. The people engaged in the British electrical industry will work for 53 cents an hour, whereas our people ask $1.53 an hour. Sometimes we wonder why the Britisher gets the contract. I am not saying anything against a high standard of living; goodness knows, I am one of those who like a high standard. These are the simple facts of the modern world in which we live.

A few moments ago I mentioned that we were in a period of readjustment. I feel that an adjustment will have to be made in one form or another, no matter what we say or do. It is a natural process that is taking place. Those who would place all the responsibility upon this parliament are a little bit "off the beam." We in western Canada should remember that there are farmers in other parts of this country besides Saskatchewan. I sit here amid some who live among farmers. I hear them discuss the fact that they have four thousand barrels of potatoes, and one man says the price of potatoes is really low. When I hear that, I begin to think of the bushels in our granaries out west, 1,000, 2,000 or 3,000 bushels. Before I came down here I had no idea that there were commodities piled up in such quantities as 3,000 or 4,000 bushels of potatoes. The potato growers have their problems, just as we have ours. I am not attempting to speak for them; that is up to them. I may say that all down the line the same thing holds true.

[Mr. Mang.]

We say that we produce too much of this product that I must not mention this afternoon. However, we produce more textiles than we need; we produce more potatoes than we need; and we produce a lot more of a good many things than we need. As I mentioned in a radio broadcast the last time I was in Saskatchewan, we people in Saskatchewan seem to think that this product I must not mention this afternoon is the largest factor in our trade. If you look at the figures for pulpwood, for example, you will find that there is as much pulpwood that goes into internatonal trade as there is of this particular cereal.

Just to keep the record straight, and because we have had such adjectives as catastrophic used in connection with drawing a picture to illustrate that we, in the province where I was born and raised, are facing economic collapse, I should like to say a few things. In fairness to the other members of parliament here who will be asked from time to time to consider where we in the west fit into the Canadian economic picture, perhaps it would be well to keep the record straight. As you know, there is an international trade fair taking place in Toronto now. At this particular fair Saskatchewan, along with the other provinces, has a booth. In this booth, from which we are trying to establish relationships as a province with the businessmen in other parts of the world, we have a publication entitled "Saskatchewan Invites You". There is a picture on it of a very handsome gentleman whose voice was heard in this house years ago, Mr. T. C. Douglas, the premier of Saskatchewan. I am going to quote from this publication "Saskatchewan Invites You", with the picture of Mr. Douglas on it. The heading is, "Up-to-date Information about Saskatchewan". I am going to read this, but before doing so I may say that I have been digging up some figures just to satisfy myself that things are not perhaps quite as bad as I am being told they are at the moment. However, we are not just as flush as we might be. We have a little dollar shortage—perhaps it is a big one—that arises because we have not sold these two billion bushels we have grown in the last three years. But we are selling some.

Now this is information about Saskatchewan, and it reads as follows:

> The average per capita income in Saskatchewan in the past year has been estimated at $1,360 which is again about 12 per cent above the national average.
>
> For the third successive year, Saskatchewan led all provinces in the annual percentage gain of retail sales, increasing 7·2 per cent to an estimated $817 million.
>
> A 15 per cent increase in life insurance sales during the year indicates a parallel advance in personal

savings in Saskatchewan. The value of work performed by the construction industry jumped from $181 million in 1952 to $217 million in 1953. The industry employed 24,000 persons.

Capital investment in plant and machinery advanced from $15·9 million in 1952 to $21 million in 1953.

Investment in exploration and development of oil and natural gas last year reached well over $50 million and this year will approach $70 million. In addition, refinery capacity in the province has more than doubled in recent years. Production of 2·8 million barrels of oil and 1·5 billion cubic feet of natural gas in 1953 may well be doubled in 1954.

Mineral output in the past year was valued at $48 million without including the value of extensive uranium production.

Employment in Saskatchewan has increased about 4 per cent since 1949, compared to a national increase of less than 2 per cent.

That is, for the rest of Canada.

The Saskatchewan wheat crop in 1953 totalled 375 million bushels. This is 13 per cent lower than the record production of 1952, but is 61 per cent higher than the average of the preceding ten years.

**Mr. Nicholson:** Good government out there.

**Mr. Mang:** A great Minister of Trade and Commerce here, who has spurred the activities; and we are progressing comfortably under the general advance that Canada is making. It continued:

Total grain production in the last crop year was 586 million bushels, compared to 697 million bushels the previous year.

And hon. members will find this interesting:

Although Canadian farm cash income declined in the past two years, Saskatchewan farm cash income increased from $636·6 million in 1951 to $701·5 million in 1952 and an estimated $711·4 million in 1953.

Not so catastrophic! And let me remind hon. members that this publication was put out by the Saskatchewan C.C.F. government at the international trade fair. I am putting it on the record because it is going to many countries throughout the entire world. I think the Canadian public should be advised about the province of Saskatchewan; and I am bringing this to the attention of the committee at this time merely to show that, while we deplore the present trend, we realize, as I indicated at the beginning, that we are in a period of readjustment.

And let me say this further, that for some time a great many people in Saskatchewan have felt that there would be a readjustment. What we are asking is this, that all sections of Canada, including industry, investment companies, insurance companies, and particularly trade unions, will also consider that perhaps the time has come for readjustment. We are not going to remain quiet if we do not get adjustments in the things we have to buy for our production. We are not going to pay $3.25 an hour to someone to weld a broken part on a combine; we cannot pay wage rates of that kind.

It so happens that we in western Canada are leading the way in this readjustment by having our prices come down. This has not come as a bolt from the blue. I found, when talking to western farmers when I was home at Easter, that some of them said, "It is true that we want high prices; but it is better to get our wheat into consumption than keep it and pay storage on it".

As I say, we have a dollar shortage out there; but we also have a great deal of a commodity we will be able to dispose of. When I flew down the other day from western Canada the clouds cleared when we reached Fort William. They cleared for me in more ways than one. I looked out the side window of the plane and thought I would count the number of ships loaded with grain going out of Port Arthur and Fort William. My attention was drawn to something else, and I had to stop counting. I realize that I missed some of them; but I do know there were more than a hundred, with one stream going one way and the other stream going the other way.

That indicates to me that every possible effort is being made in order to place us on a sounder economic footing out there. Our grain will be sold, as long as there are people in the world who have to eat. So long as that condition exists we are going to be able to sell the products we have grown.

In conclusion I wish to emphasize that I am not giving advice; but I am a keen believer in keeping the record straight. As a matter of fact, that was the slogan I used in my election campaign; and I hope in the next four years, no matter whether it is popular or unpopular, the stand I shall take will be one to keep the record straight. Because, by following false theories and operating under false premises, we will lead ourselves down a blind alley and reach nowhere.

Canada stands on the threshold of development today, in the forefront of all countries. Many years ago Sir Wilfrid Laurier said that he had a vision, and expressed it by saying that the twentieth century belongs to Canada. Now, in the middle of the twentieth century, it happens that a son of that same province, from which came the man who made that statement, is in Ottawa today. The same political party holds office today. It is our duty—and I can assure members of the opposition we will not be remiss in fulfilling it—to bring that vision into reality, and make of it an actual fact. And I think if we forget

our sectional differences and work in the interests of Canada we will come to a realization of that vision of fifty years ago.

**Mr. Coldwell:** Mr. Chairman, I had not intended to speak, and I shall speak only briefly. In order to keep the record straight, as we have been told, there are one or two remarks I should like to make.

First of all, I have not heard any member from Saskatchewan, either in this party or elsewhere, plead poverty on behalf of the farmers of that province. It is true that for the last ten years Saskatchewan has developed tremendously under the leadership of the gentleman who was mentioned by my hon. friend from Qu'Appelle, the Hon. T. C. Douglas. There is no question whatsoever about it, that the figures placed on record this afternoon are an eloquent tribute to what has been done in that province.

Again, I am not taking anything away from the Minister of Trade and Commerce, who is in his seat this afternoon. I have very high respect for him, and I know he has done much to further the interests of this country. He has done much in an effort to further some of our trade policies. But I do wish to say this to my hon. friend from Qu'Appelle, that in the past we have had periods of prosperous years, and in the past those prosperous years have been followed by depressions. When we see farm prices falling, whether they are the prices of wheat, of oats, of milk or of potatoes, they are ominous signs for the economy of this country. We find usually that the first drop indicating anything in the nature of a recession is a drop in farm prices. Other prices then also come down gradually. What we are anxious to do is to see that under those farm commodities there is something of a floor, so that the people in the rural areas may continue to buy the products of the industrial areas. I believe that ultimately we are not going to put the kind of floors under those products that we have been putting under them in past years for a year or so. I believe that sooner or later in large part the policies that have been adopted in a number of other countries in the world, where there are forward prices, where a farmer knows before he puts the grain in the ground what he is really going to get this year and in a couple of years, will be adopted here. When a calf is born on his farm the farmer will know what he is going to get for the finished steer at a minimum price four years from now or three years from now, if it is a three-year-old steer. He will know what he is going to get for eggs and butter over a period of time. That is the policy worked out in a good many countries. That is the policy that has kept production high in agriculture, for example, in the United Kingdom, and that is all we have in mind. We are not denying that the policies of the federal and of the provincial governments have enabled our people in Saskatchewan, Alberta and Manitoba producing farm commodities, and in other provinces too, to enjoy a better standard of living than they had in the old cut-throat competition days, when there were no floors and everything went in the direction in which it cared to go.

Under this item we are discussing the policies of the Department of Trade and Commerce, and these things have to be taken into consideration. I merely rose to tell my hon. friend that at the moment there are ominous signs in our economy. It is well that hon. members from various farm constituencies in all parts of Canada should draw the attention of the government to those ominous signs and ask for some protection against them. Let us bear in mind that in the depression years some great corporations and companies in this country did not feel the depression a bit. They were protected. They are in a protected market. The farmers are in an unprotected market, or were before the war. What we want to see is equality. If there is to be a readjustment, as my hon. friend says, then it has to be a readjustment all round. If we have great industries that are enjoying protection and are able to keep up prices by turning labour out into the street in order that they may reduce production and keep prices up, then it is the duty of the government to exercise its power and interfere, and exercise some control.

I am saying to my hon. friend that we are not complaining that our farmers are poverty-stricken. It would not be true if we did. But what we are pointing out is that in the past we have seen periods of prosperity followed by periods of acute recession and depression when the bottom dropped right out of the market—and when the bottom drops out of the agricultural market it drops out of the industrial market.

If there is one lesson we learned during the war it was that in this respect the interests of the workingman in the city and the worker on the farm are identical. In my province, when eggs were selling at 3 cents a dozen a million people were on relief in this country. When wheat was 21 cents a bushel a million people were on relief in this country. In the industrial areas there was no work and no prices for farm products. What we are anxious to see is that steps are taken by the government and by this department to see to it that that kind of thing does not recur in the future. That is all we have in mind.

**Mr. Macdonnell:** I am sure we are all gratefully moved by the speech of the hon. member for Qu'Appelle. I am sure the minister in particular must have been delighted to know that he is a legendary figure not only when the price is going up but when it is coming down. We do not grow very much wheat in Greenwood, and that is all I am going to say about wheat, Mr. Chairman.

I want to make a few remarks, perhaps more in the nature of questions which the minister can answer later. But there was one point of interest that I wanted to put on the record. We all seem to agree that the minister is an optimist. I think he calls himself that, and we often call him that. I thought I would find out what an optimist is and so I looked in the dictionary. A little to my surprise I found—perhaps the minister will be surprised, too, to find what he really is when he describes himself as an optimist—that in the world of business he is associating himself with the philosophers, because I found that the definition of an optimist is a doctrine, a philosophic doctrine, that the actual world is the best of all possible worlds, or the view that good must ultimately prevail over evil in the universe. I am sure it is a great comfort to us all to know that that is the background of the minister's attitude in the things which he does and leaves undone. I bring that forward just as a key perhaps to the explanation of some of the things which we may not fully understand at the moment. We will try to believe that the explanation will come and that when it comes it will have this characterization of great wisdom.

There is of course a danger in optimism, as the hon. member for Eglinton pointed out. He referred to Nelson's telescope and one might refer also to rose-coloured glasses. As I listened to the minister this morning I had the feeling that some of the favourable features he talked about, however pleasant in themselves, would be more significant at the moment if they seemed to be producing better results.

The minister spoke about the improvement in Europe, and the United Kingdom freeing of trade channels; but actually when we look at what we exported to the United Kingdom last year we find that it is $80 million less, and therefore I feel that, however pleasant it is to know that in certain directions the British are freeing their channels of trade, it is mainly in the sterling area and in the non-sterling countries outside North America, and that at the moment the attitude toward us is not nearly so co-operative.

The minister also referred to South American countries such as Brazil. I made some inquiries about Brazilian exchange but did not go into it because it is a puzzle that is beyond me. It does seem a fantastic situation that they have there. So far as I can see, it is not going to facilitate us very much in carrying on trade there.

The minister also spoke about convertibility, and here I want to say one word. The Minister of Finance has spoken with optimism about it. When I asked him a question the other day he gave me a not very informative answer. The effect of it was to assure me that he was still regarding it in an optimistic frame of mind. However pleasant it may be for the minister, and the rest of us, it does not take us very far. My own feeling is that convertibility, true convertibility, is much more in the hands of the United States than it is in the hands of the United Kingdom. Actually, my understanding is that at the moment we have in a narrow sense convertibility with the United Kingdom in the sense that whatever they buy they can pay for in dollars; but the answer is that they restrict what they can buy by quotas and embargoes of various sorts, so that their purchases match their available dollars. In that sense you have convertibility of money, but you have a great restriction of trade, as shown by those figures I have just quoted. Therefore, when the minister speaks in rather optimistic terms about convertibility of sterling, I feel just a little uneasy for fear he is not being fully realistic.

The best information I can get from people who I think are well-informed in London is that they do not think the British people are putting convertibility as their top priority. They are able to deal pretty well in a good many other countries of the world, and convertibility of sterling with the dollar involves certain tightening of the belt; it involves certain stringent measures against any kind of inflation. And as I say, the best information I can get leads me to believe that they have not put it as a top priority. I come back again, therefore, to it and say it depends far more on the United States and on the attitude which they are going to take towards trade. Now, the minister was quite realistic about that this morning. I do not think he spoke too optimistically about the immediate situation in the United States. But actually when we turn back to the meeting in March last we find the account of that meeting not very reassuring, and what has happened since is even less reassuring. I have here the Montreal *Star* for March 17, and the article reads as follows:

**Canada and the United States, in a top level inter-cabinet conference ending here today, agreed to consult together on steps to be taken in handling the most pressing issue between the two countries, disposal of excessive stocks of farm products.**

Wheat was the principal commodity used as an example in discussing effect of the agreement.

One way to express the results from the Canadian viewpoint, it was suggested, would be to say that, while the United States may tread on our toes, she will give us warning first.

It is not a comforting statement. We have had a good deal of treading on toes, though I am not quite sure how much warning was first given. At any rate, coming back to what the hon. member for Eglinton said this morning, and what he said seemed to me sounded the bell, although the United States is actually very much bigger than we are we do not have to truckle to them, and we can talk to them as man to man, though one just wonders whether we perhaps have been a bit too complacent.

Now I come back to the Montreal *Star*, with regard to the meeting of March last:

While it provided ground for claiming a victory for Canada, a communique marking the end of the sessions was expected to emphasize that the greatest achievement lay in the fact that the four ranking cabinet members of each of the two countries could sit down together, define their common interests, and find that both countries want to help each other.

Well, Mr. Chairman, I have heard it is very pleasant for them to sit down together. I hope they did it in appropriate circumstances of comfort and refreshment. But it leaves one rather cold when we find out that the practical results are that they found out that both countries wanted to help each other. Now, Mr. Chairman, it is the evidence of that that we want. It is the result which flows from that that we want, and the hon. member for Eglinton this morning had a good deal to say to indicate that the results so far have not been what we would like.

**Mr. Howe (Port Arthur):** Mr. Chairman, I want to thank the hon. member for looking up the meaning of the word "optimistic". It is a purely altruistic act, because my friend has not an ounce of it in his system, and it is very helpful to know just what it means. I looked up the word "pessimism" which is of particular concern to my hon. friend. The definition is:

Tendency to look at the worst aspect of things; doctrine that this world is the worst possible, or that all things tend to evil.

**Mr. Macdonnell:** I deny that.

**Mr. Howe (Port Arthur):** However, I will take off my rose-coloured glasses. I have this satisfaction, namely that I have gone against public opinion pretty consistently since 1944 and I have never had any tendency to take back any prediction I made during that period. I have heard my hon. friend discuss various subjects and I have never known him to be right during that entire period, so perhaps we can both be reasonably happy.

My hon. friend is pessimistic about convertibility. Well, I am not. I believe there are tendencies which indicate that it is not far away. It is a complicated subject and no one country can practise it successfully in the European scene without being joined by other countries. That preliminary work is going ahead. The monetary agreement with Germany is a step in that direction, and I think England is better satisfied than previously that their well-being is not so dependent on the prosperity of the United States as they had at first supposed.

I pointed out in the remarks I made that even though there has been some economic setback in the United States in the past few months, Britain's trade position with the United States has continued to improve during that period. However, that is by the way.

My hon. friend belongs to his school of thought and I belong to mine, and I wish I could win him over because his life would be very much happier. But there is no point in undertaking a hopeless task.

However, I would like to say a few words in reply to a number of hon. members who have pointed out that a great deal of our trade is directed toward the United States. I might point out that Canada is a free economy, perhaps the freest economy in the world. Any Canadian citizen is free to buy anywhere he likes in the world, and Canadian currency is convertible to any currency in the world.

In addition, any Canadian citizen is free to sell his goods in any market in the world and the Department of Trade and Commerce is equipped to help him to do so because we are organized in every market in the world.

We make a determined effort to help our people sell their goods in the United States, and we have a strong service there for that purpose. We have an equally strong service in the United Kingdom and anyone with a desire to sell his products in the United Kingdom receives all the assistance the department can give. The same is true of any country you care to name in Europe. We are represented in 50 countries throughout the world by trade commissioners who are capable, well trained, and thoroughly familiar with their market.

That is the function of the Department of Trade and Commerce. It is said: "Why not stop selling so much in the United States?" But it is not our job to stop selling so much in the United States. It may be asked: "Why

do we sell in the United States?" It is the handiest market; goods can be delivered at the lowest freight rate compared with any other market in the world; there is no trouble about currency; and theirs is a free economy just as ours is a free economy. It is the most natural thing in the world for anyone who desires to export goods from Canada to examine the possibility of sale in the United States market.

It is because of these facts that a very considerable proportion of our exports are sold in the United States. We know that certain things will not sell in the United States. We cannot sell wheat. Why? Because the United States grows all the wheat that that country needs and has a surplus to export just as we have. There are certain other products we cannot sell in the United States, but we find markets for these products elsewhere.

It is a natural market place, but there should be no reason why things which cannot be sold in the United States should not be sold elsewhere.

It may be asked: "Why do people buy so much from the United States?" It is a voluntary act on their part and I presume the reason why they buy from the United States is that they find they can be better suited by the products sold in that country. Certainly I know of no other reason. There is no inducement put out by the government of Canada to people to buy goods in the United States other than in their own interests.

In the matter of tariffs, the tariffs against United States goods are the tariffs charged against goods from every favoured-nation country. As far as the United Kingdom and the commonwealth are concerned we have preferential tariffs. I have forgotten the proportion of goods which come in from the United Kingdom free of duty—but perhaps I have it here. The goods which came in in 1952 amounted to a total of $359,757,000, and of that amount $202,938,000 entered duty free. That was 56·4 per cent of our total imports from the United Kingdom.

We offer tariff preferences for those who wish to buy their goods in the United Kingdom, as an inducement for them to do so. I do not know how the government could go further, except by erecting prohibitions against purchases in the United States. Assuming for the moment that we agreed with the opposition —and I may say that I do not at all agree with them—that we have too much trade with the United States, the only way in which we can stop it is to put up artificial barriers in the way of prohibitions or to put on excessive duties against the United States, a procedure which is, of course, unthinkable.

I hope that those who weep and complain about the size of our trade with the United States perhaps will, before this debate finishes, tell us just what we should do to re-orient our trade. It is the feeling of the Department of Trade and Commerce that we need every market in the world and that we need to use that market in the best interests of Canada, Canadian business and the Canadian consumer. That is the natural direction of Canada's trade. In a free economy people buy where they like. There is only one way that I know of in which to increase imports from the United Kingdom and that is to have more Canadian citizens take an interest in buying in the United Kingdom, search out things that can be bought there to their better advantage than elsewhere, and direct their purchasing towards the United Kingdom. That is the only answer I can give. I am exceedingly tired of having opposition members, who have no responsibility in the matter, stand up, denounce the United States as an octopus and say that we should not have so much trade with the United States.

**Mr. Stick:** Mr. Chairman, I shall take only a few moments, but I do not think these opportunities should pass without someone from my province making some comment upon the trade treaties which have just been signed between Canada and Portugal, Spain and now Italy. For many years in Newfoundland our salt codfish industry was a continual worry to us. This market we were losing year by year. So much was that the case that many people felt that it was a hopeless position we were being placed in and that we could never get it back so that it would be nearly comparable in size with what it was many years ago.

It was a matter of grave concern to us because the codfish industry is our national industry. Some of us had been working and had felt that the marketing of our salt codfish had to be taken out of the organization which had been handling it, and that the marketing should be done through the Department of Trade and Commerce and through the highest levels of government. That step was taken a few months ago when, by agreement with our provincial government, authority was passed over to the Department of Trade and Commerce here to look into the marketing conditions of our salt codfish industry and to see what could be done. The measure of the stature of the Minister of Trade and Commerce is this. Within a week he set the wheels of his department in motion. Within three months we have already had three profitable trade agreements and possibly we may soon have a

fourth. Those are facts, Mr. Chairman, that I do not think should go unnoticed in the House of Commons.

We now feel far better about our salt codfish market than we have felt for many years. We now feel that we have begun to market our salt codfish in the right manner. We feel that we are now getting this national industry of ours back on a sound footing. I do not think the opportunity should pass without someone from my province saying a word about what has happened. When I go back home—and I hope to very shortly—I believe a different feeling will exist amongst our fishermen. I believe they will now have a confidence that they have not had for many years that our marketing problems are in the way of being solved. I believe they will feel free to go fishing again. It is my opinion that when they finish up the fishing season this year, they will feel far happier than they have felt for many years. I throw no bouquets in this chamber but I merely say this. It was the energy, foresight and business experience of the Minister of Trade and Commerce that brought this situation about, and I think the committee should be told that fact.

**The Chairman:** Shall the item carry?

**Mr. Fleming:** Mr. Chairman, at this stage I will confine myself to clearing up several points that have arisen. In his remarks of a moment ago, the Minister of Trade and Commerce seemed to be extremely touchy on this subject of the extent to which Canada's trading eggs were being placed in the American basket and about the concern expressed by some of us on this side of the house over that fact and over the fact that the American market, surveyed over the long years, has not been too satisfactory. Conditions have arisen there when the Canadian producer received scant consideration. We have seen that situation in the past two years, when it suited the convenience of the American congress to enact legislation even in breach of the provisions of the general agreement on tariffs and trade.

Let me say to the minister that the concern which we have expressed as to the dangers resulting from Canada's placing all her trading eggs in one basket is not shared alone by those on this side of the house. We hold the view that the minister expressed when he said that we wish to extend our trade in all parts of the world. Of course we wish to do that. But we in this part of the chamber are concerned—and rightly so—that the minister takes such an easy-going, nonchalant attitude about the way in which our export trade to our traditional market in Great Britain drops and the way in which we lose that market, as long as he has in the United States a place from which to buy or, to a lesser extent, a place to which to sell. When we have an unfavourable balance of trade with the United States of some $800 million, as we had last year, that fact apparently does not give the minister any cause for concern.

Mr. Chairman, I have said that we on this side of the chamber are not the only ones concerned about this matter of the eggs being put in one basket. Will you listen to this, sir? This is a statement reported in the Toronto *Globe and Mail* of September 12, 1952. I will read the statement and then I will give you the author of it. The statement reads as follows:

> Canada's economic position, at present strong, also has a weakness, . . .
>
> "That weakness is that Canada depends so much upon the United States . . . Canadians can never be freed from the fear of a slump in the U.S., for which we would not in any way be responsible and which we could do little to control."

Those are the words of the Minister of National Revenue.

**Mr. Howe (Port Arthur):** So what?

**Mr. Fleming:** I think the Minister of Trade and Commerce could profit by the comments of his colleague and take a word of warning instead of preserving this easy-going, nonchalant attitude that everything is rosy.

The next thing upon which I should like to comment is the interjection that came from the minister and from his parliamentary assistant during my remarks earlier today concerning what they said was the sale of Canadian wheat to Russia. Mr. Chairman, I could not believe my ears, and I suggested that Canadian sales of wheat to Russia would not amount to anything of any substance. On consulting the official records of the Department of Trade and Commerce for the year 1953 I find that our exports to Russia for the year 1953 amounted to $478. If you look up the details, you will find that the record does not show any sales of wheat to Russia.

**Mr. Howe (Port Arthur):** What about the year 1954?

**Mr. Fleming:** If there are available some figures for the year 1954, it would be interesting indeed to see them.

**Mr. Howe (Port Arthur):** You read the evening paper to keep up to date.

**Mr. Fleming:** I read the statistics of the minister's department. To the extent that they are not up to date I suppose we shall have to lack figures. But I tell the minister that it would be interesting to know how much wheat, if any, Canada sold to Russia in the first four months of this year.

**Mr. Howe (Port Arthur):** Mr. Chairman, I can answer that question. I did not say "wheat"; I said "grain". The amount is about two or three cargoes; I am not just sure how much.

**Mr. Fleming:** Now it is "grain". This morning the discussion was on the subject of wheat.

**Mr. Howe (Port Arthur):** I mentioned grain. I said we are selling grain to Russia. If you do not believe it, look at the green sheet.

**Mr. Fleming:** You will find that at the time I was discussing wheat, and we will weigh the minister's statement on that basis.

The other matter upon which I wish to make comment is this. I made reference to the question I had asked the minister in the house about communications passing between the government of Canada and the government of the United States concerning a possible attempt to limit the export of Canadian base metals to the United States. At page 4106 of *Hansard* of April 26, appears the question that I asked on the orders of the day. It reads as follows:

> Mr. Speaker, may I ask the Minister of Trade and Commerce if negotiations are proceeding in any form between the government of Canada and the United States with respect to the possible limitation of export by Canada of base metals to the United States; if so, what stage these negotiations have reached and what position the Canadian government is taking.

The answer of the Minister of Trade and Commerce was:

> Mr. Speaker, there are no such negotiations current at the present time.

**Mr. Howe (Port Arthur):** Yes, but I might point out that the hon. member was then talking in April and now he is talking in June, and much has happened since.

**Mr. Fleming:** This is interesting because what I was referring to this morning was the question I had asked the minister and he got up and made the pointblank assertion—the record will show it—that he had not made any such answer as I had referred to. My statement as to the effect of the minister's answer is entirely in keeping with his actual answer as I read it.

**Mr. Howe (Port Arthur):** My answer was correct at that time.

**Mr. Fleming:** The statement the minister now makes about something that has happened since was not the explanation the minister made when this matter came up earlier in the day. If the minister wished to say that although he had given this answer on an earlier occasion nevertheless subsequently there had been communications on the subject it might have been an accurate answer, but it seems to me for the minister simply to deny boldly the statement I attributed to him this morning is quite at variance with the record of the house.

Item agreed to.

*426.* Trade commissioner service, $2,720,244.

**Mr. Michener:** This item involves the expenditure of $2,720,244 for our trade commissioner service. I want to say a word about it and pose one or two general questions. I find in the report of the department for the year 1953 that we have 100 foreign service commissioners in fifty-one posts in most of the countries of the world. A rough break-down appears to show that twelve of these posts are in commonwealth countries and seven in the United States. I notice that one post in the United States at Los Angeles is being discontinued, which will leave six. The others are in various countries of the world except of course those behind the iron curtain.

The vote of course includes head office administration expenses, but if one takes the entire vote and distributes it among the posts one gets a cost of about $54,000 for the maintenance of each of the trade commissioner posts. It is a very important service. It can be and I am sure is of great assistance to Canadian business. Its functions are to assist in selling Canadian goods and to find markets, as well as to assist Canadians in their purchases abroad. In making these few comments I simply wish to raise two general questions. I should like to know first of all whether all means are taken to acquaint Canadian businessmen with the valuable services which are available to them so that we can get the best value for these special agents of the country whose duty it is to assist Canadian business. Obviously we are maintaining this service at considerable expense and it is important to derive the greatest benefit from it.

I know there are means by which these services are made available, and I am familiar with some of the publications of the department. I simply raise the point that it is important to make sure that we do get the best value from these special salesmen and purchasing assistants. The other point has to do with the fifty-one continuing offices. As the minister says, we are now entering a more competitive market, particularly for manufactured goods, and perhaps he would say something about the decision to continue with the same number of posts.

**Mr. Howe (Port Arthur):** I appreciate the interest of my hon. friend in the trade commissioner service, and I am glad that he has had an opportunity to visit some of the offices of the service. The more people do that, the more they will appreciate the calibre of the men we have in the service. We do make every effort to bring home to Canadian businessmen the fact that this service is available to them. The department publishes a magazine called *Foreign Trade* which comes out every two weeks and has a very wide circulation. It contains up to the minute news from our trade commissioners abroad and often articles about special conditions in one of the countries where the service is represented.

We also bring the trade commissioners home to Canada every three years and send them on a tour across the country. That tour of duty lasts about six months, and they are supposed to contact every businessman who has any interest in their particular area, explain the conditions to him, find out the problems in which the Canadian businessman is interested and work out a plan for closer co-operation in the future. That tour is taken before the man gets his holiday leave. After a year in Canada he goes back to his post with fresh business contacts in this country.

As my hon. friend said, I believe we have fifty-one offices at the moment. New offices under consideration are at Hamburg in Germany, Salisbury in Rhodesia, Accra on the Gold Coast, and Istanbul in Turkey, and we are again considering reopening the office in Los Angeles. We try to keep the service up to the requirements of Canadian businessmen. As soon as we find a particular interest in an area that is not well served we correct that by either transferring an office from a less important position or opening a new office in the area with which we are concerned.

Examinations for the candidates for the service are held annually. We take university men and give them special training before sending them into the field. They have a year's training in Canada in a special course arranged by the department and are then sent out in junior positions in the field and are given the opportunity to become fully experienced under an experienced trade commissioner. After we are satisfied with their ability they are promoted to independent posts. I may say that I have been tremendously impressed with this service. I have been impressed with the way our officers work at a problem. After all, there are no rewards for them. The reward for the businessman is that he will probably make a substantial profit if the transaction is carried out. The only reward for a trade commissioner is the satisfaction of having helped the businessman carry out the transaction.

I have seen these men working days on end on one particular transaction, perhaps a transaction involving a few million dollars. They have had the satisfaction of seeing the transaction completed; they have put in their report, and that is that. They turn to the next transaction. I must say that I think it is a great credit to the service that that kind of enthusiasm can be maintained. I am glad indeed that my hon. friend had the opportunity of meeting commissioners in the field.

Item agreed to.

427. Information branch, $169,323.

**Mr. Pallett:** I would point out to the minister under this item that there is substantiation for the remarks of the hon. member for Dufferin-Simcoe, where he said that it was unnecessary to purchase large amounts from a country in order to sell to it. In the issue of *Foreign Trade* for May 29, there was great substantiation for what the hon. member for Dufferin-Simcoe said, the suggestion that we do not have to buy from a country in order to sell to it. In that publication the figures are given in connection with Italy's trade with Canada and it shows that Italy imported from Canada 30·4 billion lire whereas she sold to Canada only $5·8 billion.

With regard to the publication, I would draw the minister's attention to the fact that the department is certainly to be commended for it. I feel that it is doing a very valuable service to this country. There is one question I should like to direct to the minister. I noticed that it costs $40,000 a year to publish this magazine, and I would ask the minister if he would indicate to the house who does the printing, and if salaries are paid other than the departmental salaries?

**Mr. Howe (Port Arthur):** The printing is done by the queen's printer at the expense of the department. Of course, we have officers concerned with compiling the magazine. My hon. friend will realize that it takes editing and special writing to bring out a magazine of this kind, even though we do get contributions from our trade commissioners in the field. I would think that for a magazine of that kind, profusely illustrated, $40,000 a year is not excessive.

Item agreed to.

Exhibitions—

430. Exhibitions generally, $325,962.

**Mr. Nowlan:** Would the minister give us an approximate break-down of this item of exhibitions generally? Just what is included in that phrase?

**Mr. Howe (Port Arthur):** Yes. We are participating in the fairs in Berlin, Hanover, the French trade fair, a fur exhibit, in Kansas City, an agricultural products show in the United Kingdom, the Japanese trade fair in Osaka and there is an amount for unforeseen exhibits. This year the amount is $78,000 as against $67,000 last year. The increase is due to the Osaka fair, an increase in the Berlin fair of $2,500, the Hanover fair of $3,000 and unforeseen, $500.

**Mr. Harris:** Just before you leave the chair, Mr. Chairman, may I advise the committee that at eight o'clock, because the Minister of Trade and Commerce is required elsewhere on public business, we shall proceed with national revenue and then fisheries.

**Mr. Fleming:** And the Canadian Broadcasting Corporation, I take it, is first.

**Mr. Harris:** Yes.

## THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

**Mr. Speaker** informed the house that the Deputy Governor General had been pleased to give, in Her Majesty' name, the royal assent to the following bills:

An act for the relief of Rita Boucher Dufort.
An act for the relief of Lucy Halga Saunders Gibson.
An act for the relief of Antonie Lutz Jedrzejewski.
An act for the relief of Jessie Clarke Thompson.
An act for the relief of Dorothy Coughtry Paquette.
An act for the relief of Isabel Ruth Smith Newey.
An act for the relief of Eugene Clifford Carbonneau.
An act for the relief of Jean Antoine Francois Armand.
An act for the relief of Maria Clara Anita Cauchon Quirion.
An act for the relief of Elsie Elizabeth Belford Grant.
An act for the relief of Jean Monette.
An act for the relief of Pearl Mary Brown Pratt.
An act for the relief of Annie Holman James.
An act for the relief of Marie Paule Lemay Mondello.

*The Royal Assent*

An act for the relief of Marilyn Lesley Simpson Lavallee.
An act for the relief of Edith Lorraine McBurney Robinson.
An act for the relief of Aline Gosselin du Berger.
An act for the relief of Eileen Lucy Tollett Power-Williams.
An act for the relief of William Pappas.
An act for the relief of Claire Labelle Cousineau.
An act for the relief of Denise Marie Helene Laporte Woodhouse.
An act for the relief of Lois Helena Kearns Higham.
An act for the relief of Dorothy Rita Wade Moulden.
An act for the relief of Albert Thornton.
An act for the relief of Koidula Laigma Hagel.
An act for the relief of Yvette Lafontaine Tatos.
An act for the relief of Freda Becker Blumenthal.
An act for the relief of Monica Elizabeth Benoit Mullin.
An act for the relief of Felix Andre Landry.
An act for the relief of Marie-Claire Parisien Barbeau.
An act for the relief of Marie Muriel Gladys Lena Soubre Dubour.
An act for the relief of Joan Millicent Kemp Tessier.
An act for the relief of Mary Joy Thomson Asselin.
An act for the relief of Ronald Arthur Leslie.
An act for the relief of Lucienne Saint-Laurent Calve.
An act for the relief of Roberta Barbara Shvemar Feigelman.
An act for the relief of Pearl Marie Neil Lane.
An act for the relief of Marjorie May Price Amory.
An act for the relief of Marie Jeannette Laure Lafreniere Lucas.
An act for the relief of Frances Goldberg Glegg.
An act for the relief of Thelma Nellie McKeage Patrick.
An act for the relief of Madeleine Roy Julien.
An act for the relief of Louis Tothe.
An act for the relief of Nicolas Joseph Ladislas Barath.
An act for the relief of Ferencz Gyula Babinszki.
An act for the relief of Beatrice Alexandra Duff Sheppard.
An act for the relief of Remi Charbonneau.
An act for the relief of Kathleen Florence Pippy Hayward.
An act for the relief of Fred Skiffington.
An act to amend the Opium and Narcotic Drug Act.
An act to amend the International Rapids Power Development Act.
An act to amend the Canadian Citizenship Act.
An act to amend the Research Council Act.
An act to amend the Vocational Training Coordination Act.
An act respecting inventions by public servants.
An act to amend certain acts respecting the superannuation of government employees transferred to crown corporations.
An act to amend the Post Office Act.
An act to amend the Excise Act.
An act to amend the Navigable Waters Protection Act.
An act to amend the War Service Grants Act.
An act to amend the Royal Canadian Mounted Police Act.
An act to amend the Bank of Canada Act.
An act respecting savings banks in the province of Quebec.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at eight o'clock.

DEPARTMENT OF NATIONAL REVENUE

**The Chairman:** Order. I understand when the committee rose previously we were discussing item 534.

Canadian Broadcasting Corporation—

*534.* Loans to the Canadian Broadcasting Corporation repayable with interest at a rate to be fixed by the governor in council on such terms and conditions as the governor in council may determine and to be applied in payment of expenditures to cover capital costs of television installations and to support the development of the service. Such loans, with interest, shall be a charge on the revenues of the Canadian Broadcasting Corporation next after the charge imposed under the provisions of section 17 of the Canadian Broadcasting Act, 1936, $3,000,000.

**The Chairman:** Shall the item carry?

**Mr. Fleming:** A number of questions were asked of the minister on the last occasion. Perhaps he would prefer to make his statement in reply to them now.

**Hon. J. J. McCann (Minister of National Revenue):** In the discussion of the estimates of the Canadian Broadcasting Corporation on Friday last, the first item we were dealing with was the matter of a loan of $3 million to the corporation for television purposes. Under that item we had a general discussion with reference to matters relating to the Canadian Broadcasting Corporation. At that time a number of questions were asked and perhaps it would be better for the record if I undertook to answer some of them now.

A question was asked on June 3 with reference to C.B.C. commentators for the D-day anniversary. The hon. member for Three Rivers asked:

How many C.B.C. commentators are being sent to Europe to cover the tenth anniversary of D-day?

I am informed by the C.B.C. that it is sending one commentator to Europe to cover the D-day anniversary, Mr. Marcel Ouimet. Mr. Matthew Halton, who is regularly stationed in London, will also cover the event, assisted by Mr. Douglas Lachance, regularly stationed in Paris. Both Mr. Ouimet and Mr. Halton covered the D-day invasion ten years ago.

[Mr. Speaker.]

There was another question that had to do with the broadcasting of the play "The Investigator" on Sunday, May 30. The C.B.C. reports that a play entitled "The Investigator" was broadcast last Sunday evening. The script was submitted by an outside writer and was accepted on the basis of its interest and dramatic entertainment value.

The C.B.C. does not hold itself responsible regarding the personal or political connections of outside writers who might submit scripts. The corporation does of course take the responsibility for accepting and broadcasting any given script.

**Mr. Lennard:** Why repeat it? The minister gave that the other day.

**Mr. McCann:** To put it on the record all at once. I am sure the hon. member will not have any objections to reading it twice.

**Mr. Lennard:** No, but I just wondered. We want to get out of here, you know.

**Mr. McCann:** I am going to take the hon. gentleman at his word, and if he will assist me we shall get out of here on all these estimates between now and ten o'clock.

**Mr. Lennard:** You cannot accuse me of prolonging the discussion.

**Mr. McCann:** Not at all.

Another question was asked by the hon. member for Kamloops with reference to the particular area in which he lives. Service in the mountain area of course is very hard to give. However, we have instituted what are called boosters in the towns of Castlegar and Kaslo.

**Mr. Fulton:** If the minister would permit me, may I say this? I am interested in this subject and appreciate the tribute he is paying to me, but I did not ask the question. I was not here. I think he must mean the hon. member for Kootenay West. We have a booster station at the place about which I had been speaking previously.

**Mr. McCann:** I have no doubt you need it. With respect to the other two stations, there are going to be boosters placed there and they will give a service to the particular locality that was complained about by the hon. member for Kootenay West.

During the course of the discussion the hon. member for the city of Hull, the hon. member for Ottawa East and the hon. member for Russell brought up a very important matter with reference to bilingual service in television for the city of Ottawa and this vicinity. Last year when we were preparing the estimates for the C.B.C., the C.B.C.

recommended to the government that we have a second transmitter in Ottawa that would service this particular part of the country, similar to that which we give in Montreal. At that time the matter was delayed because of the fact that we thought it would require an additional appropriation of money in order to build a transmitter. A transmitter, along with the things that go with it, would cost in the neighbourhood of $500,000. The situation is that at the present time we have plans and have awarded a contract for the C.B.C. station in Ottawa that is linked by microwave with Buffalo, Montreal and Toronto.

Although the policy has been to allocate one C.B.C. station to a particular area, and not to give a licence for another station until the C.B.C. has accomplished its objective in that regard, we did make an exception in the city of Montreal, where we have both an English and a French transmitter. In the building in which we propose to house these transmitters and to have studios and in which the programs will originate, we feel that we can very easily have another extra transmitter for Ottawa, Hull and district.

The representations that were made by the hon. member for Hull, the hon. member for Ottawa East and the hon. member for Russell were in accordance with what was the policy of the corporation, although up to this time it had not been announced. I am very happy to announce now that the government is prepared to authorize the C.B.C. to put in a second transmitter and to allocate another channel to Ottawa, so that as soon as the building and the order for the transmitter can be fulfilled we will proceed with the institution of a second transmitter under the control of the C.B.C., which will serve Ottawa, Hull and district, and thus give bilingual television to this area.

I do not know that I can say anything more at this time. As I said on Friday night when we were discussing the matter—and I had only two or three minutes in which to reply to the discussion that had been going on most of the afternoon and evening—the C.B.C. and the government welcome the free discussion that we have had on radio and television policy. I might announce that, according to the suggestion several hon. members made in that debate, we are prepared to have a committee on radio broadcasting early in the next session. I am now of the opinion that, although these meetings have been held usually every two years, the importance of this corporation and of the work it is doing justifies the setting up of a radio committee every year. It has now become a big organization and hon. members will recall that when this policy was announced a few years ago I predicted at that time that it was a very expensive development. It now runs into a great deal of money.

Although we have been criticized by the opposition with reference to our method of financing, I cannot think of any other method that would be better than by appropriations for a number of years to the C.B.C. and by the allocation to the C.B.C. finances of the excise taxes which are collected on television receiving sets and television tubes. We have a sufficient amount of money coming into the treasury to enable the corporation to plan far ahead, and that would not be as easily accomplished if we were dependent upon an appropriation from year to year.

We hope that in a short time, with the completion of our stations in Halifax and Winnipeg, we will have a chain of stations covering Vancouver, Winnipeg, Toronto, Ottawa, Montreal, and Halifax. If we are able to do that by means of microwave, which might be a few years off, we will be able to connect up these stations for a trans-Canada television network, and that would be in line with the policy we have attempted to put into effect with reference to sound radio.

Let me give hon. members an example with reference to microwave connections. We can only connect these stations in two ways, either by coaxial cable or by microwave. The microwave in this district was built by the Bell Telephone Company for the purposes of carrying out their policy of having a better method of intercommunication between places for their long distance telephone service. This system has worked out to be very useful for intercommunication between these cities for television purposes, and we pay them a rental for this daily communication system between Buffalo, Montreal, Ottawa, and Toronto of something in the neighbourhood of $250,000 a year.

It is our policy to extend that microwave system from Toronto to Hamilton, Kitchener, London, and Windsor, and in the east from Montreal to Quebec city. We will have to undertake at some time or other an extension of the service east and west from Winnipeg and finally from Vancouver east, and the ultimate objective which we aim to accomplish is that all of our C.B.C. stations from the east coast to the west will be connected up by microwave, and having done that we can then establish a trans-Canada television system.

Now, there are just two or three other matters on which I might add a word, and that is with reference to the criticism we have had of the C.B.C., not only in controlling the C.B.C., if you wish to call it that, but the commercial situation and the alternative proposition submitted as to a separate commission. The question has been raised of the establishment of a separate commission to take over the regulatory powers of the C.B.C., and I wish to point out once again that at the request of the government this question was very carefully and exhaustively studied by the royal commission on national development in the arts, letters and sciences. The commission recommended strongly against any such proposal and came out in favour of the continuance of the present system.

The government accepted and still accepts the views of the commission which made such a thorough study of all the factors involved. The idea of a separate commission probably seems attractive to a number of people who have not looked carefully into the subject, and it seems to me that this point of view, often accepted without careful consideration, is in many cases helped along by interested propaganda.

I have noted, for instance, that very often statements in favour of a separate commission come from areas where all the newspapers also have private radio interests. I think it is apparent that, at the time, many of those who advocated a separate commission had not thought a great deal about the matter since the statements and arguments which are made are often conflicting. From what I have seen, the recent demands of the Canadian Association of Broadcasters were to set up a commission which would have none of the powers at present held by the C.B.C. Under their proposals these powers would simply vanish. In other words, there would be no one at all in a position to make regulations to limit abuses in the use of the public air channels, or of licences to carry on stations in the country in the interests of maintaining a national system. I think anyone supporting the idea of a separate commission should carefully consider what is involved.

I think, Mr. Chairman, that that pretty well covers the matters which required answers, and I will leave these matters there and deal with any further questions as they are raised. On the next item I have a statement to make with reference to international shortwave, its operation, and policy.

**Mr. Fleming:** Mr. Chairman, there are many questions which have yet to be put to the minister. I thought perhaps he was going to review the finances of the corporation in view of the fact that we have no operating statement for the corporation for the fiscal year ended March 31, 1954. However, I can ask detailed questions on that to bring out the information that is required.

**Mr. McCann:** Did the hon. gentleman see what I put on the record on Friday?

**Mr. Fleming:** Yes, and I will come back to that later.

I wish to make a comment on the point last dealt with by the minister, namely, the matter of the separate regulatory commission. I shall deal with two aspects of that matter. The minister laid great emphasis upon the report of the royal commission on the arts, letters and sciences, commonly known as the Massey report. But I would like to point out to the house that in that respect there was a majority report and a minority report.

It is quite true that the majority report recommended that there be no change in the dual function now exercised by the C.B.C., that is to say, the function of carrying on a nation-wide broadcasting system, and at the same time carrying out a regulatory function over all forms of broadcasting in Canada. But there was a minority report by a very eminent member of that royal commission, Dr. Arthur Surveyer, and I am prepared to say that if hon. members will address themselves with an open mind to the majority report and the minority report I think they will find the recommendations in the minority report overwhelmingly sound and convincing in their logic.

Now, sir, the minister has chosen to introduce another subject in this latter regard which cannot, if it is taken seriously, have any other effect than to confuse the issue. He has brought in the matter of a proposal which he ascribes to the Canadian Association of Broadcasters to the effect that the regulatory functions be dispensed with. That is not the recommendation I put forward when this matter was debated on June 4.

Whatever regulatory functions are required can be confided to the commission. That, in my submission, is the sound way to proceed. It is no part of the proposal for a separate regulatory commission that the commission be denuded of all regulatory power. Surely that would be a contradiction in terms. Let us therefore, Mr. Chairman, approach this question, when there is opportunity, on its merits without its being confused by the kind of issue that the minister has seen fit to introduce.

What is proposed is that there be a separation of these two functions that are now

discharged by the Canadian Broadcasting Corporation. There would be no interference with its operation. It would carry on as an operating body, operating a nation-wide system of broadcasting; but those regulatory functions that it now exercises over the private stations that are, in many respects, its rivals and competitors, would be carried out by a separate regulatory body. The public interest would not be compromised in any way at all. There would be a separate regulatory commission of a public nature appointed by and responsible to public authority. Let us therefore have that question decided on its merits, Mr. Chairman, and not have it confused by insinuations that inherent in that proposal is any suggestion whatever of abandoning the regulatory functions that are now exercised in general.

I make this further comment and this one only. We have a direct parallel in the way in which regulation is exercised in this country over the railways. It is a regulation that applies equally to the publicly-owned Canadian National Railways and the privately-owned Canadian Pacific Railway as well as other privately-owned railways in Canada. We would not think of confiding to the board of directors of the Canadian National Railways the regulatory powers over its private competitors that are now exercised by the Board of Transport Commissioners for Canada. What we are recommending in this important field of communication is that there be in that field a separate regulatory board clothed with functions similar to those now exercised in the field of transport by the Board of Transport Commissioners for Canada. The C.B.C. would carry on its operating functions in the same way as the Canadian National Railway Company carries on its operating functions but under the general regulatory powers of the Board of Transport Commissioners for Canada.

**Mr. Hansell:** I should like to ask one or two questions here, if I may. Before asking them, may I say that I think we are pleased with the minister's announcement tonight that a second television station is to be erected and operated within the Ottawa-Hull area. Am I to understand that one of these stations will be entirely a French-language station and the other entirely an English-language station?

**Mr. McCann:** That is right.

**Mr. Hansell:** If that is right, perhaps my second question is not particularly significant. I was going to ask whether this is not a reversal of the government's television policy when they announced some time ago that the C.B.C. would occupy one channel in a given area and then other channels would be open for independent television stations. However, if one station is to be a French-language station and the other an English-language station, I can understand that perhaps the action is quite justified. However, may I ask this one question just the same. Have any applications for television stations been received from independent sources either in Ottawa or in Hull? Since the minister has announced that there will be two stations operated by the C.B.C., one a French-language station and one an English-language station, are we to understand that that decision "washes up" all other independent applications?

While I am on my feet—the minister can keep these questions in mind perhaps so that I shall not have to keep jumping up and down—I should like to ask another question. We know, of course—and we appreciate the minister's jogging our memories, if that can be said to be the situation—that eventually it is expected there will be a national network of television stations from coast to coast. I do not know that I want to hurry the matter along. From the physical angle, difficulties arise when we want to hurry things too fast. Then again, a good deal of money must be spent on this project if the ultimate objective is to be realized. Nevertheless, I should like to ask the minister if he would care to state how long he expects it will be before that objective is accomplished.

While the minister is musing a little bit over those answers—although he may have them on the tip of his tongue—I want to make one comment on his further announcement of government policy concerning the independent regulatory body. The minister put great emphasis upon the fact that the royal commission on the arts and sciences had recommended that the policy being pursued should be continued. He went on to put forward the negative angle, namely that they recommended that no other body be set up as a regulatory body. That is all right. We know what the royal commission recommended. But I do not believe that any royal commission is infallible. Even though they may have gone into the study very carefully and have arrived at a conclusion which they themselves, of course, think is a conscientious and proper conclusion, nevertheless royal commissions are not infallible. They may be wrong.

There is another point I wish to make here. The minister said at the same time—and he used the phrase no less than three times—that those who were recommending a separate regulatory body had not looked carefully enough into the subject. He mentioned

that point twice and he concluded by saying that he hoped those who recommended such a regulatory body would consider carefully what is involved. Mention was made of that point three times. I am afraid the minister overemphasized it, at least. He is not fooling anyone here. The people who have recommended the separate regulatory body cannot be said to be men who do not go carefully into a study of the thing they are going to propose. He may be able to say that concerning us who sit here and who are interested in, but not vitally connected with, radio interests. However, the Canadian Association of Broadcasters have men who know their business. They are on a par with—I will not say they are above—any radio officials, radio engineers or men who think in terms of radio policy who sit on the government side of the house or who are connected with the Canadian Broadcasting Corporation. They are men who are just as capable in the radio field as anyone else. You cannot find better anywhere. They have gone into the matter carefully. They know all the angles with respect to a separate regulatory body. I still hope the time will come when we will see that. I think it will be better. I am not going to say that radio policy will be administered any better but certainly in a free country where we believe in freedom of competition such a thing is desirable. I have a few other questions along an entirely different line, but first I would ask the minister if he would care to answer these questions now.

**Mr. McCann:** The answer to the question of the hon. member for Macleod with reference to the situation in Ottawa is that there will be two channels. There will be one station, one building and one of the channels, which will involve the purchase and installation of a new transmitter, will give entirely French programs and the other channel will give entirely English programs. We have a precedent for that in what we did in the city of Montreal. His other question, as I remember it, was with reference to the linking up of the system. That will probably take two or three years.

**Mr. Hansell:** I think we will be doing very well if we get it in two or three years. The minister is very encouraging in that respect. My other questions are of a little different nature. I want to be fair, and if these matters do not come under the minister's department but rather under the Department of Transport I will be happy if he will inform me and I will leave them until the transport estimates are before us. I understand that government radio policy does not permit the building of transmitters with what is known as composite equipment. In other words, government radio policy today is that if a station wants to build a transmitter a licence will not be granted unless the equipment is manufactured by one of the standard equipment companies. If that is so, I should like to know why, because according to my information I understand that certain stations in the United States have been able to cut their costs almost in half by reason of their engineers being able to assemble parts from here and there, sometimes manufacture them themselves, and build a transmitter for around $80,000 instead of approximately $150,000 which it would have otherwise cost.

I wonder whether the minister would care to answer that question for me, and a similar question along almost the same line of thought. I also understand that radio policy does not permit radio stations to transmit by what is known as a sort of pick-up antenna but that they must of necessity have lines for which of course a very expensive fee is charged. I understand this is permitted in the United States, which cuts the cost considerably. I am told that an ordinary station can save in the neighbourhood of $40,000 a year. That figure may not apply in Canada, but in the United States about $40,000 can be saved by being able to broadcast by means of a pick-up system rather than by using lines.

Evidently these matters come within the minister's department, and I have a third question which I am sure does. It has to do with the customs duty charged on motion picture films for television. I understand the same customs duty charges are imposed on the importation of films for use on television as are imposed on films that are used in motion picture theatres. The reason I ask this question is that there is quite a difference between the two. In other words, a theatrical distributing agency imports films, pays the duty on them, and then they can be used in several hundred theatres throughout Canada. I understand that the duty on an ordinary moving picture film amounts to about $60.

If such films are to be shown on television and an independent station has to pay a duty of that amount to import a film that is to be used just once, and if they have to have different films for many different programs, then the charge becomes rather terrific. Of course it has to be carried into the cost of operating the station. The sponsors would have to pay, which would mean that the cost to the sponsor would be tremendously high. I wonder whether the minister would care to answer these three questions for me.

**Mr. McCann:** The answer to the first two questions is that they are matters involving technical requirements, and that of course is decided by the Department of Transport. With reference to the matter of the customs duty on films for television and films for the motion picture industry, I do not know that consideration has been given to the question of use. They are both films. They are classified under the customs tariff as films and the duty is the same in both cases as far as I know. The matter of the usage has not been given any consideration to date under the customs tariff.

**Mr. Hansell:** That is my point. Because there is no difference the television station has to pay a duty of approximately $60 for one film while the theatre interests can get the same films for $60 and use it thousands of times if they want to. There is one motion picture film in Ottawa today that is entering its third month of showing. If $60 had to be paid every time the film was shown, the cost would be terrific. Since that is so, would the minister not give some consideration to a reduction of duty on films for television purposes?

**Mr. McCann:** I will bring the matter to the attention of the Minister of Finance, who usually has to do with customs tariff rates.

**Mr. Lennard:** When a film is returned to the country of origin is the duty not refunded?

**Mr. McCann:** Part of it. There is a partial refund depending on the length of time that it has been in this country.

**Mr. Philpott:** I should like to ask the minister a very short question. Last Friday night he said that there must be sufficient national coverage before there could be more than two stations in certain areas. With reference to his statement tonight about the microwave system, does the minister's statement mean that the microwave system will have to be complete before there is alternate service?

**Mr. McCann:** The answer is, not necessarily.

**Mr. Decore:** I should like to ask a question with regard to television in Edmonton. I understand that a licence has been granted to some private enterprise there for the construction of transmitters to transmit television programs. My first question is, does the minister know when we may expect to get television programs in Edmonton? My second question is, within what radius from the transmitters will people in an area be expected to obtain these programs?

**Mr. McCann:** The matter is entirely up to the people who have the licence for the private station. They have to order the transmitter, and it depends entirely upon when the transmitter is delivered to them, and when they construct their building, as to when they can commence operations. This is a matter with which the C.B.C. has nothing to do. In the ordinary course of events it takes anywhere from six months to a year; some stations have come along quicker.

The area of transmission of television equipment is usually a radius of about sixty miles from the centre, and that again depends a good deal on the terrain. I might point this out for the benefit of hon. members, that when you broadcast radio waves they will jump an obstruction, for instance, a mountain that is not too high, and that wave is still continued to the point of reception. It is entirely different with television. You must have a direct line from the point of transmission to the point of reception in order to get good reception. It is for that reason that television waves are received much better over water than in hilly terrain. We believe that the technological development in the science of television transmission may overcome some of those difficulties in the years ahead.

**Mr. Decore:** May I ask a supplementary question? When this licence was granted to this private enterprise, was it not conditional that the transmitters would be completed within a certain period of time? In other words, could they carry on with this construction for the next five years?

**Mr. McCann:** No, that is a matter between the company that obtains a licence and the Department of Transport. In this particular case, or any other case, I do not know whether or not the Department of Transport has stipulated a time within which that television station shall be in operation.

**Mr. Hosking:** I should like to speak for just a moment or two about the C.B.C. and the television stations that we are building across the country. I should like to commend the minister upon the splendid programs we have received over the radio from the C.B.C. The majority of them are of first-class quality.

Just so that we would not ever have a repetition of a program that was broadcast on March 10 in the form of an appreciation of Eugene O'Neill, I should like to tell the house some of the things that were broadcast on that program. This was the filthiest program I have ever heard over any radio. The cursing that went on in it was absolutely disgusting. There were some 125 pages of script, and I believe in 22 places they took

the Lord's name in vain. It was a very low type of program. Eugene O'Neill may have been a very great writer, but I do not believe it was fitting or becoming for our radio broadcasting system to pay tribute to the man in a manner that would be disgusting to most Christian homes in the dominion.

If the chairman will allow me, I should like to quote one of the phrases that came over the radio in the course of that program. A Mr. Burke, one of the characters in the play, was speaking to a girl by the name of Anna, and he said something like this:

God's curse on you, you slut; you would be sleeping with any man for a dollar or two.

I do not think that is the proper type of program to be broadcast on a system that gives the high-class service to radio that the C.B.C. programs do generally. Certainly the minister should call the attention of the censors to the fact they let that type of program get through.

I hesitate, because of one program that was absolutely vile, to castigate the service as a whole; it has been excellent. If I want to turn on my radio, hunting a good program at random I try a program from the C.B.C. because the likelihood of my finding an intelligent and interesting program is greater there than anywhere else, except for our local station which is exceptional. I do ask the minister if he would call to the attention of the officials that there are people in the dominion who object to that type of program. I feel that if a little common sense were used the man who would pick that type of program would not be allowed to pick many more programs for the C.B.C.

Having said that, I wish to say this is my only criticism of the C.B.C. I commend the minister most highly for his determination and courage, at this difficult time when expenditures are high, in achieving a series of broadcasting television stations in this dominion from east to west. It would have been very easy at this time for a man with less determination to have allowed our country to have television broadcasts from north to south. In other words, we would be flooded with programs brought in from the United States. The western states would influence our stations in western Canada, and the eastern provinces would be influenced by programs from the eastern states. That would have been a simple thing to do. It would have been a sort of natural evolution to allow that to happen.

He did not do that. He insisted that we have a trans-Canada system. If there was ever a time when we needed to keep our dominion united, it is now. This is one of the things that will do that very well. I commend him for the resistance he has put up to anyone and everyone—it comes not only from the official opposition but from members of his own party as well—to allowing our stations to be broken up so that we would have a north-south television system on the continent rather than an east-west television system for Canada.

If I were picking any particular program on which the minister should be commended, I would say to him that the broadcast of the Grey cup would likely be followed by more people across Canada than any other program. It was certainly very well done. I was not fortunate enough to be present at the game this year, but I honestly believe I saw it better over television than I would have if I had been sitting in a seat in the stands. It was certainly well done.

**Mr. Gour (Russell):** On behalf of the electors of my constituency, both English-speaking and French-speaking, it is a great pleasure for me to thank the Minister of National Revenue for his quick and gentlemanly decision to allow a French station in this area. As I said in my last speech on this subject, this is an illustration of the ability of this government to give good administration from one corner of the country to the other. I thank the minister again, and I wish that my electors would write and thank him and the cabinet for doing so splendidly.

**Mr. Caron:** May I be permitted, Mr. Chairman, in the name of my electors to thank the minister for the good news we have received this evening. I was not in the house, but was told by somebody else that our request for a second station has been granted. When I started to speak the other day, I said that I knew the minister and the government were sympathetic and would listen to my request. So, in the name of my electors, both French and English, I thank you, from the bottom of my heart.

**Mr. McCann:** May I answer the hon. member for Wellington South with respect to the Eugene O'Neill broadcast, if we may call it that. I am sorry if it hurt the sensibilities of some of his electors, in the constituency in which he lives. But there is always another side to it. We received many more letters of commendation for that broadcast than we received protests against it.

**Mr. Macdonnell:** Mr. Chairman, I wish to revert to a question which has been discussed many times in the house, and which will continue to be discussed as long as the situation is not remedied. I go back to the question

of the dual capacity of the C.B.C.—the triple capacity, I might say—as judge, litigant and policeman.

I have never been able to understand how anyone can argue seriously that this situation is substantially different from that in the railways, where no one would even dream of suggesting that the Canadian National Railways should perform a dual or triple function.

Tonight I notice that the minister, trying to justify a distinction which I never heard anyone successfully justify, referred to the Massey report. Well, I said to myself, perhaps the answer is in this report. Perhaps I have been wrong all along. Perhaps we will find the answer.

I have read what the Massey report says, and I do not find that it contains anything that even approaches a reason for continuing the situation. The majority report says this, at page 288, under the heading "Procedure of the Board of Governors and a Right of Appeal":

> In the interests of the national system and of the country as a whole, we recommend rejection of the demands by private broadcasters for a separate regulatory body and for the privilege of forming private networks.

I propose to read further; but I think I am correct in saying that that is the only sentence approaching an argument. I shall read more from this paragraph, and if anyone can discern an argument from what I shall read later, then let him do so. I shall repeat the first sentence—

> In the interests of the national system and of the country as a whole, we recommend—

I do not know whether the minister regards that as an argument. To my mind there is not even a featherweight of an argument in it. It is only expressing the view that they have. There is no attempt made to make a distinction from the railway situation, which I suggest it resembles in the closest manner.

**Mr. McCann:** But that is the recommendation after all these representations have been made.

**Mr. Macdonnell:** I accept the minister's suggestion, if he can find in this book any reasons—

**Mr. McCann:** The argument is not given there—only the conclusions.

**Mr. Pickersgill:** Has the hon. member read the broadcasting act?

**Mr. Macdonnell:** Does the Secretary of State wish to make a speech?

**Mr. Pickersgill:** I was asking a question.

**Mr. Macdonnell:** I wish to continue by reading further from this section. The Massey commission does recommend some alleviation of the position of private broadcasters, because it recommends that they should have the right to be heard, instead of its being purely a matter of privilege. I shall read what they say:

> At present, when the board of governors contemplates the recommendation of the suspension of a licence or a change in the regulations, the private stations receive notice of the matter and are given the opportunity to be heard in person or by counsel, and at a public session if they so desire. These concessions are granted as privileges. Considerations of justice suggest that they be recognized fully as rights.

Then they continue to discuss the question of the right of appeal. I need not read that part.

What I am still waiting for is someone to give a reason why it would be unfair to do what I submit would be the natural instinct of any reasonable man if a situation of this kind were presented to him. What has been done in connection with the railways would be regarded as the obviously right thing to do. I am still waiting for anyone to give a substantial reason differentiating the two cases.

**Mr. Churchill:** Mr. Chairman, I have one or two things to say. I do not propose to repeat the arguments advanced last Friday by the hon. member for Eglinton in connection with the monopoly enjoyed by the C.B.C., but I do propose asking the minister one or two questions with regard to the situation out west.

I appreciate the difficulty there is in conducting discussion of the estimates in this fashion, when we dealt with them in a limited degree last Friday and then they are suddenly placed before us this evening after the dinner recess. I noticed however in the minister's remarks on June 4—and I was here and heard them—that he dealt with the policy of the C.B.C. in connection with tele vision, and said, in effect, that in certain areas television stations would be set up under the C.B.C., and that in other areas where the population was in excess of 25,000 private stations might be able to enter the field: Perhaps I should quote what the minister said, so as to avoid any misunderstanding. These are his words as reported at page 5557 of *Hansard*:

> It may not be long before there is a sufficient degree of national coverage to justify the government and the C.B.C. giving consideration to permitting two and perhaps in some cases more than two stations in certain areas. It is anticipated that, in due course, private stations will be permitted in

areas covered by C.B.C. stations, and the C.B.C. may establish stations in some areas originally covered by private stations.

The point I wish to make is this, that in Winnipeg the C.B.C. television station has just recently opened. I believe the opening date was May 31. I read in the press that it has survived the violent storm which shattered different parts of that city. It must not be overlooked however that the provision of television in Winnipeg has been delayed for a long time. It has been available to the people in the central provinces for two or three years, but only now has it become available in Winnipeg and Manitoba.

Now that we have an announcement from the minister to the effect that his program is being modified to a certain degree, and that a second outlet is to be provided in Ottawa, for good and sufficient reasons—to which I have no objection—I suggest to him that he might go further and modify the policy he has laid down. Certainly it should be clarified before the end of this evening. I will suggest one modification. He has said that in due course private stations will be permitted in some areas, and that in due course the C.B.C. may invade areas occupied by private stations.

Surely the policy-making of the department has gone far enough to determine whether it would be a year, two years or three years. Some announcement should be made as to when additional stations may be allowed in certain areas, so that those who propose entering the television field may make proper plans. I ask the minister this question. At what stage will a decision be reached to permit private stations to enter a field that at the moment is pre-empted by a government station? My suggestion is that the policy as announced by the minister last week and the policy that he pronounced a year ago be modified to this extent, that in those areas of Canada where there has been so much delay in providing television under government auspices there should not be the same delay in permitting private stations to enter the field now being served by the government television station.

What is going to happen is this. In the course of time, how many years I do not know, the minister will determine that, in the areas in the central provinces now served by government-owned television stations, private stations may enter the field, and then with a delay of two or three years, out in Winnipeg and elsewhere in other parts of Canada similar action may be taken. I suggest to him that he reverse this trend of events, and that, in view of the delay which has already been caused in giving government television sponsored programs out west, at an earlier stage he permit private stations to enter that particular field if they so desire. I for one cannot see why it might not be done almost immediately.

What is going to happen to determine that at some particular point, one year from now, six months from now, or five years from now, the government will decide that it is time for private television stations to enter the field already pre-empted by a government television station? Can the minister not modify this policy at this point, and in view of this delay that I have mentioned permit a private station, if it so desires, to set up operation, say in the city of Winnipeg? Let the minister bear this in mind as well. In the central provinces that lie so close to the United States border and to the large population areas of that country, there are ever so many more TV outlets available for those who have TV sets on this side of the line, which can tune in to ever so many stations. In the city of Winnipeg and elsewhere in other parts of Canada those extra TV sources will not be available, and consequently I would think that would be a consideration to permit private stations to operate in areas of that nature, so that the people of those areas would have more than one television station to which they might direct their aerial.

Naturally, in certain areas of Canada we will always face this problem. No longer in radio is it a problem, and it should not for any great length of time be a problem in television, but at the moment it is, and in certain areas of Canada for a number of years there will be certain restrictions on the number of programs that can be received. I suggest this is a method by which those areas may be more adequately served and may be brought into a comparable position with the more fortunate people located in the central provinces closer to the United States television stations.

I put these matters before the minister for his consideration and suggest that, in view of his policy announced tonight, he may now consider a further modification in favour of those areas which are less likely to be served adequately with television at the present time.

**Mr. Nowlan:** Before the minister replies to the various questions that were put to him with respect to television, I wish to raise one point in connection with our local area. When he replies to the numerous questions and complaints about the fact that they have not two television stations, I wish he would

tell me what is the situation with respect to Halifax. We have had various statements in the press from time to time with respect to the station there to the effect that they are going to buy the land, they have bought the land, and that they are about to erect these stations. Quite recently I saw that one of the engineers made a statement that sometime in December the television station would be in operation. That is very encouraging, but when the minister replies tonight to the various questions that have been asked that are of interest to other parts of Canada, I wish he would reply to us. Our complaint is not that we have not a dual outlet at the moment. We have not any in the maritimes. The position is such that at least in the eastern part of our country we cannot get television from the United States stations and we are dependent upon the C.B.C. to inaugurate their service. When the minister replies I hope that he will be able to confirm the newspaper story which appeared the other day and which, as I said, was made by one of his responsible officials, and which has not been confirmed by him, that we could expect the station to be in operation in December. If the minister considers that the change in policy in other places applies to Halifax, perhaps we shall have competition at least so that we can have two stations there.

**Mr. Ellis:** Before the minister replies there are one or two comments that I should like to make at this time with respect to the C.B.C. I want to commend the C.B.C. and a great many of those programs which I as a teacher have been particularly interested in. As a teacher of literature I find that such programs as the productions of "Julius Caesar", "Macbeth" and "Hamlet" have been of great benefit to all teachers throughout Canada who have had the opportunity of listening to those broadcasts and having their students listen to them. The C.B.C. should be commended on the excellence of those productions.

We have had some criticism of the work of the C.B.C. Some of that criticism I find it very difficult to understand. When we were discussing the estimates the last day the C.B.C. was under discussion we had some criticism of the fact that the C.B.C. was trying to impose culture on the people of Canada. On the other hand, we had people criticizing the C.B.C. for producing programs that were not cultural. We had the Leader of the Opposition, I believe, referring to some of the wrestling programs broadcast on Saturday evenings from Chicago. Well, I suggest you cannot have it both ways. You cannot criticize the C.B.C. in one breath because it is trying to impose culture on the people of Canada, and then in the next breath criticize their broadcasting of wrestling matches on television on Saturday nights. I expect the reasons the C.B.C. carries the wrestling matches on Saturday night is that a great many Canadians enjoy watching wrestling matches over television. We should be fair in our estimate of the C.B.C. If we are going to listen to criticism of that organization on the score that it is trying to impose culture, and then at the next moment criticize it because it yields to public demand, I think great inconsistency is revealed there.

There is one matter that should be noted. I recall reading in the press a number of days ago an address given before the United Church conference meeting in Ontario in which one of the speakers pointed out that in the United States—and I am speaking from memory now—eleven corporations in that country controlled 80 per cent of the television broadcast programs. That fact in itself brings home to the people of Canada the necessity of providing television programs that will meet the needs of the Canadian people.

I realize that if we are going to leave radio and television to those who look upon that particular field as a means of commercial exploitation, of presenting programs, together with the advertising commercials that will yield revenue to those companies, we are taking a very shortsighted view of radio and television.

There is one particular aspect of this problem I would like to draw to the attention of the minister and that is, if my understanding is correct, that in my own province television licences have been granted. I believe there have been two applicants, one in my own constituency of Regina City and another one in the city of Saskatoon. I have received some correspondence from constituents who have expressed some alarm over the fact that the C.B.C. is ignoring the province of Saskatchewan, and that they are leaving television broadcasts entirely to private outlets.

I am not for one moment complaining of the granting of licences to private television stations in Regina or in the city of Saskatoon, but I am suggesting that, in keeping with the policy which now prevails in so far as C.B.C. radio broadcasting is concerned, the C.B.C. ought to revise its plans and see whether or not my province can be included in the television plans of the C.B.C. I think some arrangement could be reached whereby, for example, the cities of Regina and Moose Jaw

could be reached or whereby the three major cities of Saskatchewan could be served by television under the auspices of the C.B.C.

At the present time we have the C.B.C. transmitter CBK at Watrous which serves a great need in the province of Saskatchewan, but there are a number of people in Saskatchewan who are concerned over the fact that the C.B.C. at the present time is apparently prepared to leave television broadcasting to private outlets in that province.

I should therefore like to ask the minister at this time to seriously consider the provision of television broadcasting by the C.B.C. in the province of Saskatchewan. I am not pretending to be an authority on television broadcasting, and I am not suggesting that some scheme might be worked out at the present time. But I am suggesting that the television authorities in the C.B.C. might find it possible to establish a C.B.C. station in the province of Saskatchewan at some central point which will serve the main population areas of that province in order that we might obtain in the field of TV the excellent service which I feel the people of the province have obtained in the field of radio from our prairie transmitter CBK.

**Mr. McCann:** Mr. Chairman, I want to answer briefly some of the questions which have been asked. The hon. member for Digby-Annapolis-Kings raised the question of the development of the television station at Halifax. Let me say to him that the property has been acquired, the equipment has all been ordered, and it now depends very much upon the delivery of that equipment as to when we will complete the station in Halifax. We expect that if we get the delivery of the equipment we will be in operation in Halifax before the end of the year.

With reference to the question raised by the hon. member for Winnipeg South Centre, I am not going to go into detail with reference to the answering of his question on policy because I feel I am being baited and tantalized in an effort to have me announce something new with reference to the policy of the C.B.C. There is nothing new to announce. We shall continue to carry out the policy which was laid down a year or so ago. When that policy is changed, and it becomes government and C.B.C. policy, announcements will be made to the house if it is in session, or to the public.

**Mr. Churchill:** Mr. Chairman—

**Mr. McCann:** Pardon me. May I answer the question asked by the hon. member for Regina City? We appear to have a rather anomalous situation here. This vote covers a loan of $3 million and what we are asking for is money to complete the program which was announced a year ago and which we told the house then would cost a certain amount of money. The hon. member for Regina City now comes along and wants more money for expenditure in Saskatchewan. Saskatchewan has one of the best sound radio systems in the world with a high powered station at Watrous.

**Mr. Ellis:** But how about TV?

**Mr. McCann:** We will come to that. On my own observation I would say they have better radio reception in Saskatchewan than in almost any other part of Canada. In Regina and Saskatoon licences have been granted for two private television stations which will pick up the service of the C.B.C. and obtain sustaining programs from them either by films or by kinescopic transmission. If the time comes when the C.B.C. fails in any respect to complete its link or give a better service to the people of Saskatchewan the matter will then be given further consideration.

**Mr. Churchill:** Mr. Chairman, the minister has suggested that he was being baited and tantalized with reference to C.B.C. policy, but there was no such intention on my part. Indeed, the minister is being tantalizing in declining to answer the question I asked with regard to a clarification of the policy which was expressed in very general terms, and I do not see why he could not elucidate without doing harm to anyone. He has already declared this policy in the past and I quoted his words. I quote them again:

> —it may not be long before there is a sufficient degree of national coverage to justify the government and the C.B.C. giving consideration to permitting two and perhaps in some cases more than two stations in certain areas.

Well, at this stage, two years after the minister has declared his policy, could he not tell us what is meant by "a sufficient degree of national coverage"? That is what I was after, so that those people who want to enter the private television field may be able to make some plans.

Does "a sufficient degree of national coverage" mean the setting up of a government television station in each province? I think that is what the minister said somewhat later on. And in addition, how long does it have to be in operation before coverage is considered complete? The minister, having to his satisfaction dealt with part of my statement, did not make any comment with regard to my suggestion that he permit at an early date the establishment of a private TV station in the city of Winnipeg, and elsewhere in those parts of Canada

where there are limited facilities at the moment because other TV stations are not in close proximity to these cities and areas in Canada. urely there is nothing wrong in making a suggestion of that nature, and I think the minister might have dealt with it.

**Mr. Zaplitny:** While the minister is considering that point I would like to ask a question which follows in part what the hon. member for Winnipeg South Centre had to say. The city of Winnipeg will have a TV station which I understand will have an effective radius of about 80 miles. That, of course, leaves out a very important sector of Manitoba, and perhaps I might even say the most important sector.

I wonder if the C.B.C. has any plans for the balance of the province of Manitoba. For example, the cities of Brandon, Portage la Prairie, Neepawa, Dauphin, and others who are vitally interested in this, would like to know if any plans are now being made in that regard. I believe the minister will agree that that will have a very direct bearing on the volume of, shall we say, agitation for private licences. If the people in the rest of the province of Manitoba feel that there is a C.B.C. service coming in, they are not so likely to join in the hue and cry for smaller television stations under private licence. It is not that we have any objection to private television stations but we believe that it would be better to have a network which would serve at least the greater proportion of the province of Manitoba. I hope the minister will have something to say about the rest of the province outside of the greater Winnipeg area.

**Mr. Ferguson:** I come from a town or constituency that is just on the frontier. The people up around my part of the country are quite used to snow. But any day in the summer when the two television sets are turned on, we are reminded of the country and the abundance of snow we have. That is all we can see on those two television sets. I think this would be an opportune time for the minister to state now whether the government is working on a plan to extend the scope and the distance—

**Mr. Pickersgill:** Is that the snow belt?

**Mr. Ferguson:** That is just about the sort of remark one would expect from the hon. member. Let him either get in or get out. I have the floor. Let the hon. member behave himself. He could not convince my people of anything.

I should like to know what the situation is because private corporations are, as I understand it, at the present time endeavouring to obtain permits to establish television stations in that district. However, it might not be an advisable thing to establish those local television distributing stations if the government were extending the distance they had to cover in a short period of time. That is a matter that right now is of vital interest to the people where I reside. Can the minister give us some information with regard to the matter?

**Mr. McCann:** I think the information the hon. gentleman wants is that any of those communities or localities are quite free to make application to establish a private television station and that there is not in the near or foreseeable future the likelihood of these outer communities, as we might call them, having C.B.C. service unless technological improvements in the broadcasting of television are of such an extent that the area which we now have is extended, or the radius which will be covered by a high-powered station.

**Mr. Ferguson:** Then what that means is this, Mr. Chairman. We taxpayers are paying for the over-all government provision of television and we are now being called upon to get something local; they will probably not be nearly as fine broadcasts as the bigger centres are getting. Apparently, from what the minister has said, there does not seem to be any hope of the taxpayers who are on the outer fringe receiving any benefits for the taxes they are contributing towards the C.B.C. for its television. Is that right? We receive no benefits. We must establish our own local, small, inexpensive facilities in keeping with our pocketbooks and the results will be according to the expenditure made. That would mean that as far as television broadcasts are concerned, the service enjoyed by the larger centres would be far superior to that enjoyed by the communities on the outer fringe. Is that right?

**Mr. McCann:** The hon. gentleman has a misconception as to who pays for television. It is the recipient of television programs who has bought a receiving set and has paid the excise and sales tax on it. Those funds are earmarked. They go to the C.B.C. The individual who lives in a community like that of my hon. friend and who has not a television set and has not purchased one, does not pay anything towards the upkeep of the C.B.C. at all. Our finances are entirely obtained by the matter of allocating to the C.B.C. the excise tax and the sales tax on

radio receiving sets and television sets and tubes; and loans in addition. I may say that they are loans which we expect some day to repay. That is what this one is. Let me say to my hon. friend that if private stations are established by private interests in the communities to which he refers they get, the same as any other station, a service free of charge from the C.B.C.

**Mr. Richard (Ottawa East):** I want to take this opportunity to congratulate the minister on his announcement this evening that Ottawa is to have another C.B.C. station in French. I think I speak on behalf of all the population of this area, English-speaking as well as French-speaking. As I said the other evening, this action will do much to convince the people of the good intentions of the C.B.C. and of the fact that the principles by which it is governed are truly to serve all the population, wherever they may be. We in this area also are satisfied that in due time there will be some private stations which I think would serve us well. We hope that the new French programs will be received by our population in the near future.

**Mr. McCann:** I thank the hon. member for Ottawa East for what he has said. I just want to correct what appears to be a misconception in the statement. This is not a second station. Ottawa will have one station with two transmitters and two channels. If it goes out throughout the country that we are building another big building here, it will give a wrong impression. That is not so. Arrangements will be made that two transmitters will be within one building and another channel will be allocated to Ottawa so that you will get French programs over one channel and English programs over the other one. The position will be exactly the same as that which obtains in Montreal.

**Mr. Richard (Ottawa East):** I thank the minister for raising this matter. That is exactly what I pleaded for the other evening. On those grounds I thought it was possible to have another outlet in Ottawa, because, as the minister has so well said, it would not involve the construction of a station but merely the use of another channel on a new transmitter.

**Mr. Nicholson:** I should like to make a few comments following the suggestions made by the hon. member for Regina City. Those of us who live in Saskatchewan appreciate the splendid service we receive from C.B.C. Watrous. The other day I said that we have not any radio stations in the constituency in which I live. Prior to the establishment of the Watrous station we were at the mercy of some of the powerful American stations and occasionally we were able to get some of the local stations. Having had the good fortune to have the service over the C.B.C. from Watrous for so many years, we should like the C.B.C. to come into the television field in Saskatchewan instead of turning the field over to private television stations. On Friday I referred to those wise words uttered by the late Lord Bennett when the first radio bill was before parliament; at that time he suggested that this was too valuable a resource for the people to give away for a song. I think that advice given in 1932 is good in 1954. I have always been happy that I have lived in Canada, but never happier than when I visit the United States and have to compare their radio with Canadian radio and their television with Canadian television, where you have to take so much obnoxious advertising with their musical or other programs. I hope the minister will, as soon as possible, come into Saskatchewan in the television field and see to it that the people on the frontiers have the advantages that are now taken for granted in the cities. While it is true that a new station is not being built in Ottawa, the minister has announced that an expenditure of $500,000 is going to be made to bring in the two languages. I am not complaining about that expenditure. But if the people in this area can have the choice of either French or English programs, I think the people on the frontiers should have the privilege of having the much improved television service that the C.B.C. will give.

**Mr. Johnston (Bow River):** What progress has been made by the C.B.C. in developing colour television? It is a well known fact that the people of this country who have bought television sets have paid extremely high prices for them. I think it is fair to say that we in Canada have paid almost twice as much for television sets as the same machines would cost in the United States. The television industry in Canada has pretty well saturated the market with black and white television. What is going to be the position of the Canadian people when colour television arrives? I understand it is just about due to be introduced in the United States now. What is going to be the situation in Canada in the case of people who have already purchased television sets? The market has been saturated with black and white television sets, and if colour is to be introduced and people are going to be required to buy new sets, that is coming pretty close to the point of exploitation.

I think some consideration should be given to having sets that will be convertible from

black and white to colour so that if it is desired to change a black and white machine to colour it can be done for a nominal fee instead of having to buy a completely new set. Has the minister given any consideration to that?

**Mr. McCann:** I have followed closely the development of colour television, and I may say to the hon. member that we have not spent any money on behalf of the Canadian Broadcasting Corporation with respect to the development of colour television in Canada. The large companies in the United States have invited us to follow the progress that is being made there. At the present time colour television sets cost from $1,200 to $2,000. I would suggest to the hon. member that if he has in mind some sort of gadget that will change black and white into colour he has got a fortune right before him. They have been working on that for years and have spent millions of dollars but it has not been developed. We in Canada will continue to follow closely the developments with respect to colour television and when it becomes practical we will attempt to introduce it in Canada.

**Mr. Zaplitny:** Would the minister make a statement with respect to the question I asked having to do with C.B.C. television plans for the rest of Manitoba outside of the Winnipeg area?

**Mr. McCann:** Outside of the city of Winnipeg any individual or company is free to make an application for the establishment of a private television station. Once it is established we will provide it with programs as we do other stations. As I said before, the development of the microwave may bring about sooner than we anticipated the linking up of the main station with private stations in other parts of the province.

**Mr. Zaplitny:** What I had in mind was whether the C.B.C. had any intention of installing relay or booster stations at other points in the province in order to provide its own service to a wider area. Is that contemplated?

**Mr. McCann:** There is no such thing as a booster station in television.

**Mr. MacLean:** There are a couple of questions I should like to ask the minister but before doing so I should like to revert for a moment to his remarks regarding the control of broadcasting in the country by a separate regulatory body. I know the minister wants to be fair, but if I understood him aright I must say that either he was not understood as he intended to be or else he was something less than objective as far as the question is concerned. He left the impression with me that the idea of having our publicly owned broadcasting system and our privately owned broadcasting stations both controlled by a separate controlling body was an ill-considered theory advanced by persons who were not very well versed in the field. He left the impression with me that it was considered that it was something approaching a harebrained idea.

I should like to point out that Australia, which has a federal system of government very similar to ours, had a system of radio broadcasting very similar to ours for a number of years, a privately owned system of stations operating opposite a publicly owned system with the publicly owned system controlling broadcasting exactly as in Canada. A few years ago, as the result of a very detailed investigation of the situation, the government of Australia decided to divorce control from operation so far as the publicly owned system was concerned and set up what is known as the Australian broadcasting control board. That was brought into being by the Australian broadcasting control board act which was passed by the previous government to the one now in power in Australia. When that government was defeated at the polls and the opposition came into power they retained the system. I think it must be admitted that there is a very large segment of public opinion in some parts of the world at least which considers that the idea of controlling publicly owned and privately owned broadcasting by a separate board has considerable merit.

I do not want to labour that point, and I pass on to the three small items I want to bring to the minister's attention. The first one has to do with television. I think it can be taken for granted—at least, I hope it can —that if at some future date the C.B.C. decides to broadcast television in colour it will use a system which is compatible with receivers now in use, thus permitting the reception of colour programs in black and white. I have a couple of other points which I suppose are related to the question of control of broadcasting. One has to do with the advertising which is broadcast on both publicly and privately owned stations. It is quite obvious that in the case of other types of publishing, newspapers and so on, people are not forced to pay any attention to the advertising. If we do not like the advertising in the newspaper we skip it, but in the case of broadcasting the thing is in sequence so we have no choice but to listen to or watch the advertising that is thrown at us.

I should like to suggest that it might be advantageous to control the type of advertising more closely. I do not object to advertising as such or the time devoted to it. I think that is a necessary thing in a country such as ours in order to finance our broadcasting at all, but it is the content to which I object. I object to broadcasting advertising which is dramatized and which includes the squalling of sick babies and the moaning of otherwise healthy people who are suddenly stricken ill by lumbago or something of that sort. I think that considerable of that type of advertising is perhaps unnecessary.

I was pleased to hear the minister say again that private television stations that are set up will have sustaining program service supplied to them by the C.B.C. I think that is an excellent thing, and I think it is only fair because the people who watch these network broadcasts pay the excise tax on their receivers the same as the people who have the privilege of watching C.B.C. broadcasts. The raising of funds by way of excise tax is a different system. I feel that the same principle should be applied to sound broadcasting, to some extent at least.

I say that for this reason. Private stations are not permitted to have networks: It is, therefore, in very rare instances that it is economically feasible to put on live programs. These stations have to resort to canned music or canned programs of some sort, and most of those canned programs come from the United States. I should like to see the C.B.C. engaged in the recording of programs for sound transmission in Canada to be used by private stations as much as possible.

**Mr. Ellis:** May I ask the minister a question based on an earlier statement he made that private television stations would be supplied with certain material from the C.B.C. Can the minister tell me what arrangement is being made between the C.B.C. and private television broadcasting stations with respect to this material? In other words, is there a definite percentage of the broadcasting time which private stations must make available for network programs, or what guarantee have we that the more important C.B.C. network programs will be carried by private stations?

**Mr. McCann:** May I answer the last question first, Mr. Chairman? Private stations are obliged to take a minimum amount of material, and presently we are offering more than they can take.

The hon. member for Queens, and other members, have raised again the question of a regulatory body. I am not going to go into a detailed explanation or reiteration of that argument. This matter has been brought up at successive meetings of the radio committee for a number of years. Detailed arguments were presented to the Massey commission on the subject, and what I am going by, as well as the C.B.C., is the majority report of the commission with reference to the regulatory body, which is the C.B.C. and which has been found to be satisfactory.

**Mr. Leboe:** From listening to the debate tonight, there is one thing that seems obvious and that is that members are seeking for an alternative to the C.B.C. or vice versa in the television field. Some of the members who have spoken here tonight want the C.B.C. to move in where private television stations are coming into being. On the other hand, we have people who want private television stations to be established where we have C.B.C. service. It would seem to me, therefore, that we, as a people, are looking for an alternative so that we are not confirmed to either one or the other. I think, essentially and basically, that is freedom. I think it is the seeking of freedom that causes the people across the land to want this alternative.

I was interested in what one hon. member had to say about the tax. I think it is interesting to know that the tax on television sets will provide the C.B.C. with funds, although the purchaser may be a viewer of a private station. I feel that is a factor which will benefit the programs the C.B.C. may supply to the private station in carrying out their service. I was interested, also, in what the hon. member for Wellington South had to say about a certain program. I am wondering whether the minister can provide the house with any figures in connection with that program, in view of the answer he gave. I should like also to know if there has been any poll taken of listeners who are able to receive both the C.B.C. and private stations in the same area, to determine the listening audience of the C.B.C. as compared with the private stations. I think that would be very interesting, if the minister has those figures, and I should be glad to hear from him.

**Mr. McCann:** Those figures are not available, but we can get answers to those questions and put them on *Hansard* or give them to the hon. member privately.

**Mr. Fleming:** I have several questions for the minister. In his statement to the house on June 4, he referred to the four private stations that are now in operation and the sixteen more that have been authorized. May I ask him if he would put on the record tonight the call letters and locations of each

of those stations? I do not suggest he take the time to read that in full now, but he could put it on the record tonight.

The next question I have is as to the budget of the C.B.C. for this forthcoming year. At page 5556 of *Hansard* of June 4, the minister put on the record the essential items in the operating statement of C.B.C. for the fiscal year ended March 31, 1954. Can he give us the figures in the budget for the fiscal year which commenced April 1, 1954, the contemplated revenue and expenditures?

**Mr. McCann:** To what did the hon. member refer that was not given on June 4?

**Mr. Fleming:** The figures given by the minister on the page to which I have referred are the figures for the operations for the fiscal year ended March 31, 1954. What I am asking is, what are the figures for the budget for the new fiscal year which commenced April 1, 1954, the contemplated revenue and contemplated expenditures?

**Mr. McCann:** I am informed, Mr. Chairman, we have not the detailed figures on that. The revenue is pretty much as estimated in the estimates. For instance, the vote will be $6,250,000 to provide the requirements of sound broadcasting, and the other for the amount equal to taxes is $15 million. Our expenditures we contemplate, without giving details, will be about equal to the amount of money that is given here by statute.

**Mr. Fleming:** That is not a very satisfactory explanation. We are asked to provide a loan of $3 million in addition to the other revenue that has been made available to the C.B.C. There is $6,250,000 under the five-year system of handling grants, and then there is the revenue from excise taxes, which last year yielded considerably more than $15 million. Actually last year it yielded about $17 million from both TV and sound sets. The revenue this year has been calculated on the careful side at $15 million. But, Mr. Chairman, I should like to point out that we are dealing with a very substantial amount of money. Last year the Canadian Broadcasting Corporation did not need all the money it received by way of revenue. On the sound operations it finished up with a surplus of $1,091,000, after writing off $515,000 on account of depreciation and obsolescence. On the television side of its operations it finished up with a surplus of $5,331,000 after writing off $425,000 on account of depreciation and obsolescence.

This means that last year, in the fiscal year ended March 31, 1954, after writing off almost $1 million on account of depreciation and obsolescence the C.B.C. had a surplus of $6,500,000 for that year. That sum, we are told, is available now to be used in this program of capital expansion.

I am wondering what case is to be made out to support the necessity for a loan of $3 million in addition to the $6,250,000 from the grant and $15 million at the very least from the excise tax on receiving sets. Available in addition to those sums, let me remind you, are $6,500,000 of surplus from revenues in the fiscal year ended March 31, 1954. What is the case the government proposes to make out for asking for a loan of $3 million in addition to these sums?

**Mr. McCann:** Mr. Chairman, we announced last year that the program would be for stations at Halifax, Vancouver, and Winnipeg, and a second station at Montreal, and one in Ottawa. We got funds then to the extent of $4,700,000, and this $3 million is to complete the program which was announced a year ago. The other money will be for programming and operations.

**Mr. Fleming:** Are we to understand that this will complete the program? As I recall the figures, the program was going to involve an expenditure on capital account of $15 million to set up the system. It was approximately $15 million. The minister has referred to the figure of $4,700,000 laid out thus far, and $3 million by way of this loan. Are we to understand that with the assistance of this money, and $6,500,000 left over last year as surplus, that the $3 million will now secure the completion of that $15 million program of capital expansion to set up the television system across Canada?

**Mr. McCann:** What we contemplated two or three years ago.

**Mr. Fleming:** This will complete it?

**Mr. McCann:** I think so, yes.

**Mr. Fleming:** My final question is this: How much time was allotted to the communists, known as the Labour-Progressive party, during the course of the last general election, as a share allotted to it of the time made available to political parties during the campaign?

**Mr. McCann:** I am informed the answer to that was that it was two periods, and that was done by full agreement of the other political parties in the house.

**Mr. Fleming:** Mr. Chairman, the minister talks about an agreement. I think he had better put his answer on the basis of a regulation. I wish to raise the question of the C.B.C. regulation which exists by reason of the fact that it has the sanction of the

government, and permits communists in this country, calling themselves the Labour-Progressive party, to obtain free time on the air, simply because they nominate a designated number of candidates.

We know that the nomination of candidates is simply a fiction. It is only a fiction designed to enable them to bring about technical compliance with this regulation of the Canadian Broadcasting Corporation. I ask the minister if he does not think it is about time that that regulation was revised. We know perfectly well in this country that communists will just put up enough candidates to comply with the number prescribed.

I think it shocks a lot of people in this country to think that free time is being made available to communists, whose loyalty is not to this country, and who are able to obtain that time under a regulation that exists, and in my opinion has existed far too long. It is only a technical compliance, a fictional compliance with the intent of the regulation and it should be changed.

**Mr. McCann:** It was not done by regulation. It was done by agreement of the political parties. And if you want to know who the representatives of your party were, they were Mr. Grattan O'Leary and Mr. "Dick" Bell.

**Mr. Fleming:** Let me tell the minister—and let there be no misunderstanding about it—that we are dealing with a regulation. And we are dealing with a regulation that has existed for some considerable time. And those to whom the minister has made reference I have no doubt had no alternative but to accept this situation, in view of the existence of the regulation. To say that they accepted the principle of giving communists free time on the air is just to talk nonsense.

I tell the minister that what was done was done by reason of the existence of a regulation. It is not a new regulation; it has been there for some time and I submit it is high time some thought was given to it—a regulation that permits communists to have free time on the air at public expense.

**Mr. Habel:** Mr. Chairman, I must say I am most surprised to see the hon. member for Eglinton taking exception to the understanding about radio time. Having been in the Ontario house for many years, I would say that it ill becomes the opposition to blame the C.B.C. for the time they have given the Labour-Progressive party. For I sat in the house in Ontario while the Leader of the Opposition in this house was the premier of Ontario. And he could have, in his own province, outlawed the communists and prevented them from sitting in the Ontario house, just as the premier of Quebec did, if he was sincere in his talking.

**Mr. Fleming:** On a question of privilege; the hon. member has cast doubt, as he has plainly said, upon the sincerity of an hon. member in this house, namely the Leader of the Opposition. That is in my opinion against the rules of the house, and I hope he will be made to withdraw.

**Mr. Pickersgill:** He was talking about the premier of Ontario.

**Mr. Fleming:** He was talking about an hon. member in this house, and he questioned the sincerity of that hon. member. I suggest that language like that cannot be used in this house.

**Mr. Habel:** Mr. Chairman—

**The Deputy Chairman:** I will hear the hon. member for Cochrane.

**Mr. Habel:** I withdraw this remark; but the hon. member will not prevent me from thinking that I am right.

**Mr. MacInnis:** Just a word before we close this part of the discussion. I think we should be more clear on one point. My understanding is that, provided they can meet certain requirements, the recognized political parties in this country are entitled to free time on the air, from the broadcasting corporation. And that applies not only in national radio but, in my province at least, to the private stations. Because they give a certain amount of free time, too.

The Labour-Progressive party, or the communist party, if you wish to call it that—and I quite agree that it is the proper term—get their share of the free time as well. It is not necessary for me to come to the defence of the government in this matter; but the circumstances are there. And unless and until that party is declared an illegal political party in Canada it is entitled to the same rights and privileges as every other party.

**The Deputy Chairman:** Shall the resolution carry?

**Mr. Small:** I have a question to ask in regard to the question asked by the hon. member for Bow River about colour television. I am not quite satisfied with the explanation that was given. About three or four years ago an invention on colour television was announced. It was taken up by two different companies. One had to do with a scanning plate and the other a cylinder. It was said at that time that the cost of purchasing this gadget for making colour television was so small that anyone could procure it and it could be attached to any television set as you would an adapter. Immediately after that it was announced that the invention had been purchased by the television industry and that they were developing it. For two or three years nothing more was heard about it until a question came up in the United States senate or congress asking what had become of the invention and they set up a committee to see what was the delay in placing it on the market. The idea they advanced was that the public would be exploited in regard to the cost of the invention. I do not think the explanation given to the committee by the minister sufficiently covered the question raised by the hon. member for Bow River, that the public of Canada were not going to be exploited when colour television was perfected. Our own technical men, or a committee, should be set up to investigate and see that exploitation does not take place. Colour television sets are going to be in demand and the suggested cost is away out of line. Therefore this is an important matter. We should see that no exploitation of the Canadian public will take place.

**The Deputy Chairman:** Shall the resolution carry?

**Mr. Blackmore:** I have a question to ask.

**The Deputy Chairman:** Is the hon. member rising on resolution 534? Shall I report progress.

**Mr. Harris:** Before you do that, Mr. Chairman, may I say that I am sure hon. members will agree we have had quite a considerable debate on C.B.C. I have made clear to hon. members opposite some reasons why it would be desirable to complete at least this item of the minister's estimates. I wonder whether it would be possible to go on, since I gather that the hon. member for Lethbridge wishes to say something. I also gathered that no other hon. member rose. If it would be possible to sit beyond the regular closing hour it would be a convenience particularly to the C.B.C. to have its estimates disposed of at this time.

**Some hon. Members:** Agreed.

**Mr. Blackmore:** I am not quite sure how long it will take to deal with what I wish to ask about, because I asked the minister a series of questions the other night, and also asked him to have the answers when he came before the committee next. He apparently did not notice that I asked those questions.

**Mr. McCann:** Mr. Chairman, may I, with your permission, interrupt the hon. member? The questions that the hon. member asked had to do mostly with the C.B.C. international service, rather than with the loan for television. I have the reply, which I think will satisfy him, answering all those questions, and I shall give it when we get to that item. We are getting it all mixed up here. The items are 53 and 54. If we want to go ahead with them tonight, I shall attempt to give him the answer.

In addition to what the leader of the house has said, I just want to state that the next meeting of the C.B.C. is to be held in Newfoundland next week. My officials, who are officials of the corporation and who are here, will not be available, and if we want to run this into the hot weather in July to get the answers, that suits me.

**Mr. Blackmore:** I desire to be completely co-operative. If the minister will give us a commitment that when this item he refers to comes before the committee he will give me the same privilege of asking questions which I would enjoy at the present time on this item, I will gladly allow the item to pass.

**The Deputy Chairman:** The questions to which the hon. member refers will be answered immediately the next item is called. Shall item 534 carry?

**Mr. Fleming:** It is understood that the minister will put on the record the information I asked for with regard to private stations. That will go on the record tonight.

**The Deputy Chairman:** Has the minister unanimous consent to place on the record a list of the stations, call letters and location of the stations?

**Some hon. Members:** Agreed.

**Mr. McCann:** The list follows:

## LIST OF TELEVISION STATIONS IN CANADA

April—1954

| Call letters | Location | Address | Channel | Power | Commenced operating | Expected commencement |
|---|---|---|---|---|---|---|
| CJCB-TV | Sydney | J. M. Nathanson, Esq., Manager, Station CJCB-TV, Radio Building, 318 Charlotte Street, Sydney, Nova Scotia. | 4 | 99·5 Kw V<br>59·7 Kw A | | August—September, 1954 |
| CHSJ-TV | Saint John | George Cromwell, Esq., General Manager, Station CHSJ-TV, 14 Church Street, Saint John, New Brunswick. | 4 | 27·8 Kw V<br>13·9 Kw A | March 23, 1954 | |
| CFCM-TV | Quebec | Claude Garneau, Esq., Manager, Station CFCM-TV 145 Rue St. Jean Bosco, Ste. Foy, Quebec, P.Q. | 4 | 1·27 Kw V<br>·635 Kw A | | July, 1954 |
| CJBR-TV | Rimouski | Jacques Brillant, Esq., President, Station CJBR-TV, 6 St. Jean Street, Rimouski, P.Q. | 3 | 34 Kw V<br>19·4 Kw A | | Summer, 1954 |
| CHLT-TV | Sherbrooke | Alphe Gauthier, Esq., Manager, Station CHLT-TV 3 Marquette Street, Sherbrooke, P.Q. | 7 | 17·3 Kw V<br>8·8 Kw A | | |
| CKWS-TV | Kingston | Roy Hofstetter, Esq., Manager, Station CKWS-TV, Whig-Standard Building, Kingston, Ontario | 11 | 99 Kw V<br>54 Kw A | | October, 1954 |
| CHCH-TV | Hamilton | Ken Soble, Esq., General Manager, Station CHCH-TV, 163 Jackson Street, W., Hamilton, Ontario. | 11 | 16·9 Kw V<br>10·05 Kw A | June 7, 1954 | |
| CKCO-TV | Kitchener | E. E. Fitzgibbons, Esq., General Manager, Station CKCO-TV, 864 King Street W, Kitchener, Ontario. | 13 | 16 Kw V<br>8·5 Kw A | March 1, 1954 | |
| CFPL-TV | London | Murray Brown, Esq., Manager, Station CFPL-TV, P O. Box 488, London, Ontario. | 10 | 117 Kw V<br>59·6 Kw A | November 28, 1953 | |

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|---|---|---|---|---|---|---|---|
| CKLW-TV | Windsor..... | J. E Campeau, Esq.,<br>Manager, Station CKLW-TV,<br>Canada Trust Building,<br>Windsor, Ontario. | 9 | 18·7<br>11·2 | Kw V<br>Kw A | | August, 1954 |
| CKSO-TV | Sudbury..... | W. J. Woodill, Esq.,<br>General Manager, Station CKSO-TV,<br>Regent & Ash Streets,<br>Sudbury, Ontario. | 5 | 1·74<br>·87 | Kw V<br>Kw A | October 17, 1953 | |
| CFPA-TV | Port Arthur..... | Ralph Parker, Esq.,<br>Manager, Station CFPA-TV,<br>Public Utilities Building,<br>Port Arthur, Ontario | 2 | 5·10<br>2·55 | Kw V<br>Kw A | | September, 1954 |
| CFQC-TV | Saskatoon..... | A. A. Murphy, Esq ,<br>Station CFQC-TV,<br>216 First Avenue N.,<br>Saskatoon, Saskatchewan. | 8 | 35·8<br>17·9 | Kw V<br>Kw A | | Early Fall-1954 |
| CKCK-TV | Regina..... | H. A. Crittenden, Esq.,<br>Manager, Station CKCK-TV,<br>Leader Post Building,<br>Regina, Saskatchewan. | 2 | 18·9<br>10·8 | Kw V<br>Kw A | | July, 1954 |
| CHCT-TV | Calgary..... | H. G. Love, Esq.,<br>President, Station CHCT-TV,<br>c/o Radio Station CFCN,<br>12th Ave. & 6th St. E.,<br>Calgary, Alberta. | 2 | 10·9<br>5·45 | Kw V<br>Kw A | | Early Fall-1954 |
| CFRN-TV | Edmonton..... | G. R. A. Rice, Esq.,<br>Station CFRN-TV<br>109 C.P.R. Building,<br>Jasper Avenue,<br>Edmonton Alberta. | 3 | 23·9<br>14·3 | Kw V<br>Kw A | | October, 1954 |

**Mr. Hansell:** Mr. Chairman, I do not quite know what you mean by item 534. My book is open at page 8, "Canadian Broadcasting Corporation".

**The Deputy Chairman:** For the information of the hon. member, resolution 534 was called first because it is the only item in the estimates which refers to the domestic service, including television, of the Canadian Broadcasting Corporation. All the other items deal with the overseas international service.

**Mr. Hansell:** I am quite agreeable for this item to pass but I do not think that at this late hour we can go into the international service.

Item agreed to.

**Mr. Blackmore:** I am seeking clarification. Just exactly what item will I have the opportunity of asking these questions on?

**Mr. McCann:** Item 53.

**The Deputy Chairman:** Item 534 is agreed to. We shall now call item 53.

International shortwave broadcasting service—

*53.* Maintenance and operation including authority to credit to the appropriation revenue from the rental of facilities in Radio-Canada building to an amount of $160,000 and to re-expend it for the purposes of the international service, $2,199,150.

**Mr. McCann:** Mr. Chairman, on resolutions 53 and 54, having to do with the international shortwave broadcasting service, I wish to make a short statement in which I think will be incorporated the answers to the questions put by the hon. member for Lethbridge. I understand that the matter of the C.B.C. international service was discussed within the last day or two by the committee on external affairs, so that I assume that a great many of the points which might be brought out at this time have already been dealt with. However, may I say that the shortwave broadcasting service broadcasts regularly to Europe, Latin America and Australasia, as well as providing Canadian news and radio entertainment for the Canadian armed forces establishments in northern Canada and overseas in Korea and Europe. It is currently transmitting in 16 languages, for a total of some 115 hours a week, as well as having a regular relay service in Austria and Greece.

During July of 1953 a new service was inaugurated to eastern Europe, with the establishment of daily broadcasts in Polish. The international service is now therefore broadcasting regularly to three areas of eastern Europe in Czech and Slovak to Czechoslovakia, in Russian and Ukrainian to the U.S.S.R., and in Polish to Poland. In this way Canada is playing its part in the common western cause of seeking to bring the truth to the peoples behind the iron curtain. In this area, the shortwave service works quite closely with the B.B.C. and the "Voice of America" in arranging its program schedules and facilities for the maximum effectiveness in combating jamming, and reaching the audience.

Languages of transmissions are English, French, Dutch, Norwegian, Danish, Swedish, Finnish, Italian, German, Czech, Slovak, Russian, Ukrainian, Polish, Spanish, Portuguese.

The service broadcasts about seven hours a week to each of the countries behind the iron curtain. The general purposes of shortwave broadcasting from Canada are: 1. To secure general political and social good will and understanding for Canada in European, Latin American and commonwealth countries. 2. To project abroad Canada's aims and policies and the life and culture of our people. 3. To provide a reliable source of international and Canadian news for the peoples of eastern Europe; to counteract communist propaganda about the western world; through news, factual information and vigorous statement of our views on current topics to encourage the Soviet people to question their governmental policies and to oppose its aggressive tactics, and in the satellite countries to keep alive their contact with western democratic life and seek to frustrate the efforts of Soviet domination. 4. To provide an appropriate climate for diplomatic and trade relations with other countries and to promote the general activities of government departments in their work abroad.

As all members are aware, the implementation of these policies is carried on in close collaboration with the Department of External Affairs. That department has a special section whose function it is to provide political guidance on international issues and check on such scripts as are broadcast. This section has been in existence now for over a year and has proved its value as a day to day continuing link. Careful supervision is also exercised over all material before broadcast through a central policy control unit in the shortwave service. This unit checks on all news bulletins and political material and also prepares basic scripts for the use of various language services.

Regarding the audience behind the iron curtain, it is of course most difficult to assess how large a percentage of people are actually listening. We know that in Czechoslovakia until the time of the communist coup in February 1948 we had a large and steadily increasing audience. Reports from refugees and other sources would confirm us in believing that this large audience has continued to increase rather than decline. Similar sources

confirm that western broadcasts to the Soviet union are heard, particularly outside the Moscow area where such broadcasts are heavily jammed. In broadcasts to this area, Canada of course works closely with the major broadcasting organizations, the B.B.C. and the "Voice of America", to make jamming of western transmissions as difficult as possible and to ensure that as much of western broadcasts as possible reaches the audience.

The Department of External Affairs is also responsible for advising the international service on the initiation and development of program service to individual countries.

In the estimates for the year 1954-55 the increase of some 8 per cent is almost entirely due to higher operating costs resulting from union agreements negotiated or in process of negotiation with the corporation. With the addition of the Polish service in July 1953, no expansion of service has been made or is contemplated.

**Mr. Blackmore:** Mr. Chairman, the minister gave an answer to three of my questions but he seems to have missed the point completely in my whole set of questions. The purposes which he has outlined are exactly adorable. What we are concerned about is to what extent the individual broadcasts actually implement what the words about these purposes would lead us to suppose. That was the main purpose of my question. My first question was: Who has the power to determine policy? Who decides policy in the C.B.C.? The next question was: What means of screening has the minister to make sure that C.B.C. personnel are all pro-Canadian? Now, I thought I made it quite clear the other night that I personally—

**Mr. McCann:** Both these questions were answered in that statement and if the hon. member reads it over he will get the answer.

**Mr. Blackmore:** There was nothing about screening.

**Mr. McCann:** Yes there was.

**Mr. Blackmore:** There was nothing to tell who decides policy.

**Mr. McCann:** Not the names of individuals.

**Mr. Blackmore:** Well, surely that is what we want to know. We want to know who determines policy with respect to the C.B.C. For example, I have a question—

**Mr. McCann:** Excuse me, but I will read this again:

> Careful supervision is . . . exercised over all material before broadcasting through a central policy control unit in the shortwave service.

**Mr. Blackmore:** But we want to know the names of the people who constitute that committee, what kind of people they are, what their background is, and who is in a position to exercise control over them. Tonight I wish to ask some other questions. Do I understand it is the intention to complete the discussion on the C.B.C. tonight?

**Mr. McCann:** Yes.

**Mr. Blackmore:** I do not think we have sufficient time to go into the things I wish to go into. I want to know, for example, who decides whether or not Charles Woodsworth is to be on the speaking team of the C.B.C. I want to know why that man was selected and put on the list. I want to know whether he is told what kind of broadcast to deliver. I want to know whether someone tells him the kind of message he is supposed to convey to the people every time he speaks.

These are vital matters. I want to know who decided that J. B. McGeachy was to be on the speaking team of the C.B.C. I have not listened to many of these broadcasts myself, but I have had people listen to them for a good long time and I must say that the broadcasts on which I have received a report do, to a surprising degree, convey the communist line. As I said the other night, they are indoctrinating the people of Canada with the communist view in speech after speech and I have mentioned only two of the gentlemen concerned.

**An hon. Member:** Not McGeachy.

**Mr. Blackmore:** Oh, yes, McGeachy.

**Mr. Pickersgill:** Is this some more thought control?

**Mr. Blackmore:** The member of parliament for Lethbridge is not supposed to exercise any power over thought control, but McGeachy and Woodsworth are. That is a most astonishing state of affairs. From the general statement which the minister has made tonight there is not an hon. member in this house who is in a position to know who is determining the kind of men who are going to speak and what message they are going to deliver, and why they are going to deliver it.

I am going to refer to just one question. I have several questions which I wish to ask and I think it is very important that we probe into these matters. Now, with respect to this man Woodsworth I am going to refer to a specific broadcast this man delivered on January 17, 1954. Now, I am told the general nature of his speech was to tell the Canadian people the possibilities of trading with the communist countries. The question that people in Canada wish to have answered is why Mr. Woodsworth dealt with that subject.

What business in the world was it of his to be telling the Canadian people the importance of trade with the communists?

**Mr. McCann:** Mr. Chairman, on a point of order. This discussion taking place now is on the domestic services and has nothing to do with the international shortwave services at all.

**Mr. Blackmore:** But the position now, Mr. Chairman, is this. The questions I asked the other night are all on *Hansard* and anyone who cares to read these questions will bear me out in my statement that the main body of my questions deal with the national broadcasts, and only about one-third of the questions refer to foreign broadcasts. I personally feel that the 60,000 people in the Lethbridge area have the right to have answers to these questions. If they would not even allow a communist to run in the election and if they would not even vote for a communist—and probably there are not more than 300 who would—I think they would certainly want to know why their children have got to listen to communism put over the air through their publicly owned broadcasting service. I think I have a right to find that out and no one tonight has given us any idea concerning that matter.

I now come back to Mr. Woodsworth. One can understand why the Minister of Trade and Commerce would give a talk to the people of Canada telling them why he thought it would be advisable to increase trade with communist countries. Why in the world should Charles Woodsworth be doing that? Was he attempting to influence the people of Canada against the policy of the government in power or had someone told him to talk about this subject in order to prepare for some future government policy?

**Mr. Nicholson:** Exactly what did he say in the broadcast?

**Mr. Blackmore:** I could give that information; I have a fairly careful record.

**Mr. Pickersgill:** Is the hon. gentleman himself not talking against the government in power? If not, why is he in the opposition?

**Mr. Blackmore:** The hon. gentleman is just endeavouring to discover the facts in a time when the gravest threat that ever has threatened the Anglo-Saxon people in all their history is right at their doors in the form of communism. There is not a heart in this chamber that is not sorely troubled as to what is going to happen in the next 15 years. In these circumstances, to have Canadians being softened up in respect of communism is just about as fantastic a thing as you could conceive of. All the hon. member is endeavouring to do is to find out why all this is taking place. I feel that I have a right to know who it was that chose Charles Woodsworth to be on the speaking team. At whose instance did he do that?

**Mr. Ellis:** Does the hon. member believe in free speech?

**Mr. Blackmore:** Surely I believe in free speech. But as I said the other night we do not get free speech. We do not get the other side at all. People listen time and again to the C.B.C. and they do not get the other side. Just as an example, all of the monitoring I have heard or the listening I have done or what I have had reported to me has not revealed one single speech in favour of the British commonwealth setting forth the wonders that we could achieve as an integral, active, co-operating unit in the great commonwealth which is the organization that built this nation and the organization that made this people great. It is true that we have broadcasts telling about the coronation of the Queen and other matters of that sort; but that is merely the reporting of news.

This other matter is a very serious one. I am sure that hon. members have given considerable thought to the origin of communism. I imagine practically everyone has read the works of Karl Marx. I imagine that practically everyone will remember that Karl Marx declared that before he could establish communism he would have to destroy the British empire and the Christian church. Consequently, to neglect to show the greatness of the possibilities of the British empire is to follow indirectly the communist line. The other night I raised the question of putting over the air the broadcasts that would tend to destroy people's faith. That is certainly working right in the direction of Karl Marx. How long does this thing have to go forward? That is the thing I want to find out from the minister. I wonder whether the minister had anything to do with the appointment of Charles Woodsworth or J. B. McGeachy? I do not believe he did. I wonder whether the chairman of the C.B.C. had anything to do with it? I wonder which one of all the people who are in his department had something to do with it?

I have a great deal more information on this matter than I deem it advisable to give publicly at the present time. This information is deeply troubling to me.

**Mr. McCann:** Mr. Chairman, I am sorry the hon. gentleman is so deeply troubled. Tonight he just reiterates a speech he made on June 4. He has put forth a number of questions, every one of which can be answered

or are answered in the statement I made at page 5544 of *Hansard*. Such questions as these nobody can answer:

Seventh, during the year 1953 how many Canadian broadcasts were directed to Czechoslovakia, for example?

Eighth, how many of these could be classified as having political significance?

Ninth, how many have had pro-communist leanings?

Tenth, how many have had anti-communist leanings?

Eleventh, on what grounds would the minister justify the expenditure of Canadian taxpayers' money upon broadcasts into Europe that are neither pro-communist nor anti-communist?

With reference to the panel of speakers over the radio, the C.B.C. takes full responsibility. Any other questions which the hon. gentleman has asked tonight or a week ago can well be answered by the Department of External Affairs when their estimates are before the house.

**Mr. Blackmore:** Unfortunately the estimates of the Department of External Affairs are now all passed, so that we cannot get the information from the Secretary of State for External Affairs. In response to the minister's remarks I will say this, and I say it with all kindness but with absolute firmness. The information he has given tonight does not begin to answer any one of those questions. He has not told us how many broadcasts went into Czechoslovakia. Surely that fact is known. He has not told us how many of those broadcasts were pro-communist. Surely he must know something about what pro-communist is.

**Mr. McCann:** The answer to the question is about 7 hours a week. There are 52 weeks in the year. The hon. member can figure out the answer for himself.

**Mr. Blackmore:** Seven hours a week can do enormous harm.

**Mr. Nicholson:** I wonder whether my hon. friend would allow me just a minute at this point and would himself take a little rest? The name of Charles Woodsworth has been mentioned quite frequently. His father was the founder of this party. In fairness to Mr. Charles Woodsworth, I do not think he should be branded as a communist. The Southam press would not place him as the editor of the Ottawa *Citizen* if there was any question about his loyalty. In my opinion his broadcasts could not, by any stretch of the imagination, be described as pro-communist. Mr. J. B. McGeachy is a distinguished graduate of my university. He did an outstanding job in Great Britain during the war. I cannot think of anyone who did a finer job in building up the cause of Britain and of the allies than did J. B. McGeachy in his broadcasts from London. I am sure that the owners of the *Globe and Mail* would not give him the responsible position that he has enjoyed for many years if there was any question whatever about his loyalty.

I know that my hon. friend is greatly concerned about the influence of communism. However, I think both he and I know that we have a way of life that stands on its own merits and that we need not worry about our way of life being attacked by the people who are speaking on the C.B.C. I think the job those two particular men are doing on the C.B.C. is one that has given people greater confidence in our democratic and free way of life.

**Mr. Blackmore:** Mr. Chairman, I have all respect for the hon. member's little speech. I did not call in question the loyalty of those men. I did not call in question whether or not they were communists.

**Mr. Ellis:** The usual McCarthy technique.

**Mr. Blackmore:** Yes; I am trying to find out the facts. Anything at all is disgusting that opposes communism, in the minds of some hon. members.

**Mr. Ellis:** That helps communism.

**Mr. Blackmore:** Yes; anything is disgusting that opposes communism, in their minds. That is the whole story.

**Mr. Pickersgill:** I wonder whether the hon. gentleman would permit me to ask a question?

**Mr. Blackmore:** Yes.

**Mr. Pickersgill:** If I heard him aright, he said that he had never heard the British empire mentioned on the C.B.C. His own party gave many free broadcasts on the C.B.C.—

**Mr. Blackmore:** I did not say that.

**Mr. Pickersgill:** May I finish my question?

**Mr. Blackmore:** I didn't say "mentioned".

**Mr. Pickersgill:** May I finish my question?

**Mr. Blackmore:** I never said "mentioned". I said a speech that would build up the British commonwealth. Let the hon. member get that straight.

**Mr. Pickersgill:** May I finish my question? If I understood the hon. gentleman right, he said that he had not heard the British empire mentioned on the C.B.C.

**Mr. Blackmore:** No.

**Mr. Pickersgill:** His party has had a lot of free broadcast time on the C.B.C. Would he tell the committee how many times in those broadcasts they mentioned the British empire?

**Mr. Blackmore:** You see—

**Mr. Pickersgill:** That is the kind of statistics he is asking the minister to give.

**Mr. Blackmore:** The hon. member thinks he is so smart that he can fool me. He just cannot do it. That is all. I did not say "mention the British empire". I said "give a speech that built up the British empire."

**An hon. Member:** They do not need the radio to do that.

**Mr. Blackmore:** Give a speech that will build up the British empire the way Bill Boss' articles build up the Russian empire. That is all I am asking. I have not heard one like that. The Secretary of State will realize now that he probably unintentionally did not quite get the idea of what I said. That is the sort of thing into which I want to probe. Bear in mind what I said in my speech on the 4th of June. Near the end of my statement I said that the communists have planned to have the world completely under their control in twenty years, and at the rate they are going today they certainly will achieve that objective. When you reflect that there are only four or five parliaments left—

**An hon. Member:** Who is building them up now?

**Mr. Ellis:** You are the best friend the communists have.

**Mr. Blackmore:** That is just the kind of thing that communists do. That is exactly the way they talk. If my hon. friend says a few things more like that there will be reason to pause and think about him. Only four or five more parliaments can sit in that period of time. One year has passed in the present parliament. If we do not do something to change the course of events and do it soon there will be a number of us who will be turned out and a whole lot of new people will take our places who will not know anything about the things we have learned. That is the way democracy works. Then they will have to learn it all over again. That is just how serious it is, Mr. Chairman.

I certainly do not desire to hold up the passing of the estimates, but I should like to tell the minister and the C.B.C. that within the next year, I will expect a very definite reform in respect of these matters, a very definite reform—

**An hon. Member:** Carried.

**Mr. Blackmore:** —and no nonsense about it—

**An hon. Member:** Hear, hear.

**Mr. Blackmore:** —no pretty talk. We want results. We want Canadianism taught in the Dominion of Canada. We want the British commonwealth and the Anglo-Saxon race built up. We want democracy built up. Under the circumstances I will defer my activities in respect of the C.B.C. and leave unasked some of the questions I have. But I promise that next year, if all goes well, I will be right here.

**Mr. Hansell:** I was the one who suggested that this item be left over, but since it has not been I am not going to take a great deal of time. I had a little speech I was going to make but I will not make it. However, I will make a suggestion to the minister in all seriousness. I know that when the Canadian Broadcasting Corporation or the international service of the corporation or the external affairs department express a policy they mean what they say. I am taking it for granted that they do. What I want is to make certain in my own mind that what they say in respect of policy is translated into action. I have no particular criticism of the wording of their policies. I have a report here of the Department of External Affairs for 1953 with a foreword dated February 1, 1954, signed by the Secretary of State for External Affairs in which he says, "In a period of cold war such as this", etc. I will not take the time to read it, but the fact is that he recognizes we are living in a period of cold war.

A cold war is nothing more or less than a war of ideas expressed in words. Is the policy of the international service one of communist containment or is it a policy of doing all we can through a cold war, the expression of ideas of our way of life, to aid those in the dictatorship countries to become free? If this is our policy and it is translated into action I will be satisfied because, believe me, the communists in this country in their infiltration are not satisfied with the containment of what they call the capitalist world. They are out to conquer.

I am making this suggestion to the minister and I should like to ask if it is acceptable to him. I am asking that the international service make available in the library of parliament every manuscript in English and French of broadcasts that go forth throughout the world through the international service so that we can go to the library at any time, thumb the pages and look up any broadcast we want. I would ask the minister if such a suggestion would not be acceptable to him. It might cost a little money and it might take a little more time. They are at least typed in some form or other to start with. I am not asking for hundreds or thousands of copies to be made but they should be available to us. After all, we have assumed a national

responsibility respecting the destiny of this nation in a world that is split in two, and I think that is not beyond reason to expect.

**Mr. McCann:** The brief answer to that is that it is a matter which might well be considered by the committe on radio broadcasting next year. We will probably abide by the majority decision of the committee.

**Mr. Hansell:** That is a nice way of putting it off. You do not have to have a radio committee to make a decision of that kind. Here are the officials of the Canadian Broadcasting Corporation. Here is the responsible minister of the crown. Surely they can say yes or no to that request. Surely the radio committee has bigger business to do than to decide something like that. This is only a reasonable thing.

**Mr. Blackmore:** While we are on this matter, may I also ask that copies of every speech delivered in Canada be made available in the same way with information as to who delivered them, and when. That will give us a chance to see exactly what is happening. I will grant it is going to cost money, but how much is it going to cost if we have this country go communist? How many members of the house want to see their children under a communist-dominated state? You would gladly pay a few millions to prevent that.

**The Deputy Chairman:** Shall the resolution carry?

**Mr. Hansell:** The minister is not going to commit himself on what I have asked?

**Mr. McCann:** I might add that I will commit myself to the extent that the matter brought up by the hon. member and the hon. member for Lethbridge will be brought to the attention of the governors of the C.B.C. and of the government.

**Mr. Blackmore:** That simply is not enough.

**Mr. Ellis:** Do not take yourself so seriously.

**Mr. Blackmore:** It is time someone took himself seriously when the gentlemen who are here are here. We have to have more than merely "bringing the matter before people". This will not get results. I am not in favour of allowing this item to pass until the minister does give the commitment to me.

**Mr. Hansell:** There is an easy way to get the estimates through.

**Mr. Zaplitny:** I should like the minister to state whether it is not the case, as I have been given to understand, that copies of these international service broadcasts are now available to the members of this house upon request.

**Mr. Hansell:** That is an entirely different thing. The only way I have of knowing something about a broadcast is for somebody to tell me; that is the only way I have. I want to have the privilege of thumbing through the script of any broadcast that goes over our international service, and for which we are now voting appropriations of a considerable size. We are voting considerable sums of money, and I want to have that privilege, without somebody coming to me and—

**Mr. Ellis:** Did you ever try writing to the C.B.C. to ask for a copy?

**Mr. Hansell:** Yes, if I wrote to the C.B.C. for a copy they would willingly give it.

**Mr. McCann:** They are all available and on file at Montreal.

**Mr. Hansell:** Am I to write and ask for any copies—

**Mr. Ellis:** It does not cost you anything for postage.

**Mr. Hansell:** I thought my hon. friend was more intelligent than that. Of course, I could get copies. They have always been willing to give them to me whenever I have asked for them. The only way I have of knowing whether or not a thing is acceptable to me, at least, is for somebody to listen to it. Well, I do not listen to the international service at all, but I want to have the privilege of being able to read anything that goes over the air. I want to find out what is going on, and that is all I am asking.

**Mr. Nicholson:** I feel the hon. member's request is a reasonable one. I believe that for the sake of public relations it should be a very easy matter to have copies come to the parliamentary library. I do not believe there is anything of which the C.B.C. could not be proud. I believe that to avoid criticism of this sort copies might be made available to the parliamentary library and we would not hear anything more about it.

**Mr. Pickersgill:** Nobody would ever look at them.

**Mr. Hansell:** The Secretary of State says nobody would look at them, and perhaps that is so. Here you have the simple fact that the minister does not want to say yes, and if anyone were to psychoanalyse that statement they would say there was something he wanted to hide.

**Mr. McCann:** It is not a question of wanting to say yes. The money is not available

for it. It would require a lot of time and some staff. If the hon. member wants any particular script they are all on file in Montreal. All you have to do is make a request for it and you would have it in twenty-four hours.

**Mr. Hansell:** That is not good enough.

**Mr. McCann:** We won't read them for you.

**Mr. Hansell:** It is not going to take a big staff to do this. There is one copy that is ready every time it is read over the air. All that we want is to have it translated into English and French and filed here.

**Mr. McCann:** The next thing you will want is a record.

Item agreed to.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris** moved the adjournment of the house.

He said: Tomorrow, Mr. Speaker, we shall take the Department of Transport, secretary of state, fisheries, mines and technical surveys and national revenue.

**Mr. Fleming:** In that order?

**Mr. Harris:** In that order.

Motion agreed to and the house adjourned at 10.47 p.m.

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

424. Departmental administration, $625,101.

425. Commodities services, including fees as detailed in the estimates, the expenditures for these not to exceed the amounts shown unless otherwise approved by treasury board, $657,666.

426. Trade commissioner service, $2,720,244.

427. Information branch, $169,323.

428. Economics branch, $174,878.

429. International trade relations branch, including a fee of $6,300 to the international customs tariffs bureau, $142,555.

DEPARTMENT OF NATIONAL REVENUE

Canadian Broadcasting Corporation—

International shortwave broadcasting service—

53. Maintenance and operation including authority to credit to the appropriation revenue from the rental of facilities in Radio-Canada building to an amount of $160,000 and to re-expend it for the purposes of the international service, $2,199,150.

54. Construction or acquisition of buildings, works, land and new equipment, including supervision, $195,300.

Loans, investments and advances—

534. Loans to the Canadian Broadcasting Corporation repayable with interest at a rate to be fixed by the governor in council on such terms and conditions as the governor in council may determine and to be applied in payment of expenditures to cover capital costs of television installations and to support the development of the service. Such loans, with interest, shall be a charge on the revenues of the Canadian Broadcasting Corporation next after the charge imposed under the provisions of section 17 of the Canadian Broadcasting Act, 1936, $3,000,000.

International shortwave broadcasting service—

647. Construction or acquisition of buildings, works, land and new equipment, including supervision—further amount required, $70,394.

# HOUSE OF COMMONS

**Friday, June 11, 1954**

The house met at eleven o'clock.

## HOUSE OF COMMONS

DISTINGUISHED VISITOR—GENERAL ALFRED M. GRUENTHER, SUPREME COMMANDER, NATO

**Hon. Brooke Claxton (Minister of National Defence):** Mr. Speaker, I am sure hon. members in all parts of the house would wish me to call their attention to a very distinguished visitor in the diplomatic gallery and to extend to him a most hearty welcome to this chamber and to Canada. He is the supreme commander of the allied powers for Europe of the North Atlantic Treaty Organization and as such the military leader of our partnership for peace, General Alfred M. Gruenther.

## COMMITTEES OF THE HOUSE

Tenth report of standing committee on banking and commerce.—Mr. Croll.

Seventh report of standing committee on miscellaneous private bills.—Mr. McWilliam.

Fifth report of special committee on veterans affairs.—Mr. Tucker.

## PATENT ACT

TABLING OF ORDER IN COUNCIL APPOINTING COMMISSION OF INQUIRY

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, for the information of hon. members I am tabling a copy of the order in council appointing the commission of inquiry into the Patent Act and related legislation.

## LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST BY ONTARIO REEVES AND MAYORS FOR FEDERAL ACTION

On the orders of the day:

**Mr. George H. Hees (Broadview):** I should like to direct a question to the Minister of Labour of which I have sent notice. Does the government agree with the views expressed in the telegram sent to the minister yesterday by the 900 delegates representing the mayors and reeves association of Ontario outlining the need for direct action by the federal government to relieve the present serious unemployment situation?

**Hon. Milton F. Gregg (Minister of Labour):** I think the wire to which my hon. friend refers is a wire that was sent yesterday to the Prime Minister from the president of that association. The Prime Minister has spoken to me about it, and a reply will go forward to the president of the association today from the Prime Minister.

## TRADE

DECLINE IN EXPORTS OF TOBACCO TO HOLLAND

On the orders of the day:

**Mr. W. B. Nesbitt (Oxford):** I should like to direct a question to the Minister of Trade and Commerce. I have not sent notice so possibly he might take the question as notice. In view of the marked decline in the export of the various varieties of Canadian tobacco to Holland over the past five years, will the minister indicate what steps, if any, are being taken by the government to improve this unfavourable situation, as it affects the tobacco growers of southwestern Ontario?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** I will be glad to take the question as notice. Frankly I am not informed regarding exports of tobacco to Holland.

ALLOCATION BY UNITED KINGDOM OF DOLLARS FOR PURCHASE OF APPLES

On the orders of the day:

**Mr. E. D. Fulton (Kamloops):** May I direct a question to the Minister of Trade and Commerce? In view of the indications that the United Kingdom will be able to allocate dollars for the purchase of cheese, have we had any similar indication that they may be able to allocate dollars in the near future for the purchase of apples?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** No, Mr. Speaker. So far as fruits are concerned, we have had an indication that the United Kingdom is allocating dollars to cover purchases of certain canned fruits, but negotiations regarding apples are still in progress. We have not had any definite indication as yet.

*Inquiries of the Ministry*

## EXTERNAL AFFAIRS

### GENEVA CONFERENCE—REPORT ON PROGRESS

On the orders of the day:

**Mr. J. G. Diefenbaker (Prince Albert):** Mr. Speaker, I think it would be appropriate today, with General Gruenther here, for the Secretary of State for External Affairs to bring the house and the country up to date on the Geneva conference.

**Hon. L. B. Pearson (Secretary of State for External Affairs):** As I promised to do yesterday, Mr. Speaker, I am in a position to make a very brief report on the Geneva conference. The Korean talks at this conference, that is the Korean side of the conference, have made very little progress since my report to the house two weeks ago today, on May 28. It will be recalled at that time the conference had before it proposals put forward by the North Korean delegation in the earlier days of the conference, and a set of proposals submitted by the South Korean delegation on May 22. The distance between the two sides, as exemplified by these proposals, is still very great, and nothing in the nature of detailed negotiations has yet been possible.

On June 5, Mr. Molotov, the leader of the Soviet delegation, submitted to the conference a five point resolution on what he called the fundamental principles for a Korean settlement on which he sought the agreement of the conference. At first glance these proposals seemed to be plausible enough. In fact, some of them are merely a restatement of principles on which agreement had already been reached through the armistice arrangements and at the Berlin conference of foreign ministers last February. The Molotov proposals are, however, cast in such broad and general terms that they completely gloss over the differences between ourselves and the communists on this subject, and their acceptance would convey a completely false impression that real progress had been made and that something substantial had been agreed upon, which is not the case.

For instance, the Molotov resolution calls for an international commission to supervise the holding of elections, which on the face of it seems acceptable enough. But the same proposal on this particular subject would leave for later discussion the composition of this commission, and the composition of such a commission is, of course, a fundamental matter. In the light of the experience of the neutral nations supervisory commission in Korea, it would be folly to accept a commission which would include communist representatives who would be in a position to hamstring any effective supervision of the election. That, Mr. Speaker, is only one of



the questions which must be answered before these latest and very general communist proposals for a settlement can be considered as even a basis for negotiation. There is no reason to believe that the answers will be satisfactory.

This Korean conference has been going on now for more than six weeks, and if we do not get some satisfactory answers soon from the communists on the matter of free elections, and all that that term implies, and if the communists are not prepared to agree to international supervision of an election by a workable commission acceptable to the United Nations and composed of genuine neutrals, the United Nations side may shortly have to consider whether it is worth while continuing this effort at Geneva to reach agreement for the peaceful unification of Korea. If the Geneva conference fails in this task we would anticipate that the United Nations will pursue the objective of the unification of Korea by peaceful means. The Canadian government, and I am sure this house, would continue to support those efforts.

I should emphasize, Mr. Speaker, that the failure of the Geneva conference should not mean, of course, in Korea a resumption of hostilities, nor would it impose on us any obligation, direct or indirect, to participate in any action to unify Korea by force. We should, I think, be clear on that latter point.

So far as the Indo-Chinese side of the conference is concerned, the delegations who are participating in this part of the conference have been dealing with three main problems: First, a cease-fire in Indo-China; second, a political settlement; and third, guarantees of supervisory arrangements for those first two. Discussions of the last fortnight have revealed many stumbling blocks concerning all three. The western powers at Geneva have agreed that a cease-fire and political settlement are necessary, but to be effective they must be accompanied by supervisory guarantees; and, provided the supervisory guarantees existed, the cease-fire need not await the political settlement which inevitably would take longer to achieve. Furthermore, as Laos and Cambodia are separate countries, where different political and military conditions prevail, they should, in the opinion of the western side, be dealt with separately.

Since I last reported to the house, the military representatives of the two opposing high commands have met, and indeed are now meeting in camera in Geneva, in order to discuss cease-fire arrangements; but the results of their deliberations are not known. Regarding neutral supervision the communists, as in the case of Korea, have insisted

on a commission of four with two communist states plus Pakistan and India as members, a replica in form of the neutral nations supervisory commission in Korea. These proposals are considered unsatisfactory by the western powers concerned on the ground that Czechoslovakia and Poland are not really neutrals, and that a two-sided arrangement of this kind would merely result in a stalemate. We know that from experience.

The western side have proposed a genuinely neutral and Asian commission consisting of India, Pakistan, Burma, Ceylon and Indonesia. The communists, however, have not accepted this proposal and have rejected any form of United Nations supervision.

As hon. members will see, therefore, neither on the Korean nor on the Indo-Chinese issue is the outlook such as to give much hope of a will to achieve a reasonable settlement on the communist side. On the western side the feeling seems to be growing that no useful, and indeed some harmful, purpose would be served by prolonging and continuing the conference, once it has been made clear that the communists are using it not to bring about an end of the fighting but to pursue their own political and propaganda aims. I do not think, Mr. Speaker, any reasonable person could quarrel with that view.

**Mr. Diefenbaker:** May I just say one word, Mr. Speaker, in reference to the latter part of my hon. friend's remarks? If negotiations can no longer be continued with any hope whatever of achieving anything other than continued propaganda in Geneva, I believe there will be general agreement amongst Canadians with that stand. I should like to ask the minister one supplementary question arising out of his earlier remarks regarding Korea. He said that, in the event that no settlement was arrived at and measures were taken by the United Nations for the unification of Korea, there would be no accepted responsibility on the part of Canada to participate. What then has the minister in mind, in so far as the Canadian troops who are in Korea are concerned? What would be their disposition in that event?

**Mr. Pearson:** Well, Mr. Speaker, that is a question that is difficult for me to answer. If the situation in Korea is prolonged indefinitely, and if the United Nations has made another effort to bring about a peaceful unification of the country and has failed, and there seems to be no immediate possibility of progress in that field—I am putting this forward as a hypothetical situation—then, of course, the indefinite retention of United Nations forces, including Canadian forces, in Korea would have to be reconsidered.

**Mr. Green:** May I ask the minister a supplementary question? What is the position now with regard to the setting up of a defence pact in the Pacific?

**Mr. Pearson:** I can only answer that by saying that this matter is under consideration by the governments particularly concerned. I take it my hon. friend is not referring to a security pact in the Pacific generally, but to the southeast Asian security pact. There have been, as I understand it, no discussions among the countries particularly concerned with that particular issue—no formal discussions up to the present time. But I am sure that the matter is being considered by those governments.

## WHEAT

REQUEST FOR DATE OF INTERIM PAYMENT

On the orders of the day:

**Mr. W. M. Johnson (Kindersley):** Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. In view of the minister's statement that an interim payment would be made this year, and in view of the critical financial position of many western farmers, could he give us an indication of when the payment will be made, and the amount of it?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** Mr. Speaker, I regret I cannot do so on the orders of the day.

## PRIVILEGE

MR. DREW—RADIO TIME ALLOTTED TO LABOUR-PROGRESSIVE PARTY

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, on a question of privilege I do wish to refer to a statement made last night in the House of Commons. I was absent, as were a number of members of the government, taking advantage of an opportunity to hear our guest in the House of Commons this morning. That was my reason for being absent.

I find, as recorded at page 5817 of *Hansard* in replying to a question about representatives of the Labour-Progressive party having time on the radio, that the minister responsible said that this was done by the full agreement of political parties in the house. May I say most emphatically that the reason the Labour-Progressive party have the opportunity to speak on the radio is entirely the responsibility of the government and of the Canadian Broadcasting Corporation.

*Supply—Transport*

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF TRANSPORT

444. St. Lawrence seaway surveys, investigations and design (including the former St. Lawrence ship canal surveys and investigations), $820,180.

**Mr. Lefrançois:** Mr. Chairman, I have been informed that the minister has had an interview this week with the premier of Quebec, if my information is correct. Has there been any discussion about power development near Montreal?

**Hon Lionel Chevrier (Minister of Transport):** Yes, Mr. Chairman, I have had discussions with the premier of Quebec. Those discussions were held on Wednesday of this week, and had to do with the development of power in the Lachine section. As a matter of fact, following the decision which was given recently by the supreme court of the United States, I thought it advisable that there should be discussions, or at least that an interview should be sought with the premier of Quebec.

This was done, and the interview was, I think, a satisfactory one. I am pleased to be able to say that the views of the premier of Quebec on the general subject of the St. Lawrence seaway are favourable. I think he feels that the arguments which heretofore had prevailed against it, in so far as the province of Quebec—or, perhaps, the city of Montreal—was concerned, no longer obtain. He, I believe, and his government as well, feel that the development of the St. Lawrence seaway is a good thing for Canada.

The object of my going there was to ascertain if it was possible to enter into more detailed negotiations with reference to a joint power and navigation development in the Lachine section. While I would not like to go any further than that at this time, I think it will be possible to do that. In fact, I hope that it will be possible to have technical discussions, or discussions on a technical level, between the officers of the Department of Transport and those of the Quebec Hydro Electric Power Commission, leading toward a consideration of a joint power and navigation development in the Lachine section of the St. Lawrence seaway.

**Mr. Fraser (Peterborough):** Are any outside or private engineering firms engaged in making the engineering plans on the St. Lawrence?

**Mr. Chevrier:** Yes.

**Mr. Fraser (Peterborough):** Would the minister give us the names?

[Mr. Drew.]

**Mr. Chevrier:** I do not know that I can give the names. Perhaps I had better answer the question in this way, that we have engaged a number of consulting firms to assist in studies arising out of the development of the seaway, particularly the Lachine section. There are problems—pretty important ones—having to do with the bridges in the Montreal area, and it has been necessary to consult a number of firms. One of the consulting engineers is Mr. P. L. Pratley, an outstanding bridge engineer in the city of Montreal, whose services we sought on former occasions in connection with other public projects. And I believe we have also sought the consulting assistance of the firm of Surveyer, Nenniger and Chênevert. Those are the two which come to my mind.

**Mr. Fraser (Peterborough):** Would it be possible for the minister to give us the other names later on?

**Mr. Chevrier:** Yes.

**Mr. Fraser (Peterborough):** We would like to have the names of those who are engaged in that engineering and technical work.

**Mr. Chevrier:** Do I understand the hon. member wishes to have the names of the independent engineers?

**Mr. Fraser (Peterborough):** Yes, the independent engineers who were consulted and who are doing technical work as well as planning with respect to the St. Lawrence.

**Mr. Chevrier:** I shall be glad to get that, yes.

**Mr. Bell:** The minister may recall that I have referred to the general ice conditions in the winter, and as to what has been planned by way of keeping the St. Lawrence open. I have mentioned that down east we are quite concerned about this matter. I would like to hear from the minister if there has been any engineering investigation into the possibility of keeping the St. Lawrence open all winter long, when the seaway becomes a reality.

**Mr. Chevrier:** I can tell my hon. friend that I cannot see any possibility of keeping the St. Lawrence route open during twelve months of the year. Certainly there is nothing envisaged in the plans for the development of the seaway, either jointly or separately, in connection with power and navigation, which would have anything to do with that subject either directly or indirectly. I do not foresee that in the immediate future, unless it be by atomic power, with which I am not competent to deal, there is any possibility of a longer season of navigation on the St. Lawrence. The only reason why

icebreakers are being used, as my hon. friend knows, is for protection in the Montreal area on both sides of the channel against flooding in the spring.

**Mr. Bell:** Have any engineering reports or any engineering statements ever been made in this regard in any of the various investigations in connection with the seaway? The reason I ask that, Mr. Chairman, is, as I explained, that we are worried about this business. I have read articles that when the St. Lawrence seaway becomes a reality—and an enormous investment is involved—it is possible that special ships with thick plates will be used on the great lakes to go up and down the St. Lawrence after the icebreakers have broken the ice. I know that at the present time you cannot take ships into the St. Lawrence through the fresh water ice that comes down the Saguenay and other rivers, but I do suggest that special ships with thick plates could go up and down the St. Lawrence. The only thing I want to know is whether the engineers have looked into this matter in any way.

**Mr. Chevrier:** There are certainly no reports from my engineers on that subject.

**Mr. Fraser (Peterborough):** When I receive the names of the engineering firms, may I also be given the ones who were engaged last year? I notice that $512,000 was allotted last year. What arrangements have been made with the United States government in regard to the seaway canal and in regard to payments and co-operation? What portion is Canada going to pay?

**Mr. Chevrier:** That is a pretty broad and difficult question to answer. I do not think I should attempt to answer it at this stage. As my hon. friend knows, it was only on Monday of this week that the last obstacle was removed by the judgment of the supreme court of the United States. From now on I take it that negotiations will be entered into between representatives of Canada and of the United States to deal with the matter. Until those negotiations begin I do not think I should make any statement, particularly if I am to be a member of the negotiating team. I would not want to tie my hands by anything that I would say here, and I do not think the committee would want me to do that either.

**Mr. Fraser (Peterborough):** You have already started to get together on it, have you?

**Mr. Chevrier:** Yes; we have received a note from the United States government, and a note in reply is being prepared now, and talks will take place very early.

**Mr. Fraser (Peterborough):** Where will those talks take place?

**Mr. Chevrier:** Either in Washington or in Ottawa.

**Mr. Fraser (Peterborough):** Why not nearer to the St. Lawrence canal?

**An hon. Member:** What difference does it make?

**Mr. Fraser (Peterborough):** A lot of difference.

**Mr. Chevrier:** It is a long canal.

**Mr. Ferguson:** Owing to the unemployment situation which exists at the present time and on account of the extraordinary unemployment situation in the shipbuilding industry and the effect of that on the valuable shipyards of Canada, which may lose permanently skilled men who are capable of building as fine a ship as can be built anywhere, I should like to say a few words. It does not meet the situation to say that these men who are laid off are on unemployment insurance. Many of them have to go away from their homes to seek employment in other fields. Just think what a great loss it will be if this condition continues very long. These men are being taken out of the industry and we will not be able to get them back when needed, as they were in the first and second world wars. This country should have a law that no foreign boats could ply up and down the great lakes, as two boats did last year from Port Arthur to my home town of Collingwood. They were of foreign registry, had foreign skippers and foreign crews. They were operating under wages far less than the sailors' union of this country permit. The conditions under which those boats operated would not be tolerated by the sailors' union of this country. They did that for two years.

**The Chairman:** Order. The hon. member is bringing up a very interesting subject, but in my opinion it is not one that should be discussed under item 444, which deals with St. Lawrence seaway surveys, investigations and design.

**Mr. Ferguson:** This is of vital importance to your town of Midland, Mr. Chairman, where there are seven watchmen on the yard.

**The Chairman:** In applying the rules of the house I am afraid I cannot take regard of any personal considerations, and I still must say that a discussion of this kind, in my opinion, is out of order on item 444.

**Mr. Green:** Does the fact that the item deals with work leading to the opening of the St. Lawrence seaway not justify the hon. member in raising this question?

**The Chairman:** The hon. member was proceeding to make remarks with regard to the use of the upper lakes by certain steamships, and I do not see how I can possibly find that it is in order under item 444.

**Mr. Ferguson:** I am sorry if I deviated when I should not have. I was trying to make a point. May I say to the minister, if there was a law in this country preventing any foreign ships from travelling up and down our coastal waters—

**The Chairman:** Perhaps the hon. member misunderstood me. I cannot find that that type of discussion is relevant under item 444.

**Mr. Ferguson:** Mr. Chairman, it is leading up to the St. Lawrence waterway. May I say this? Outside ships come up the St. Lawrence waterway—I say it in a kindly way—and take a great deal of shipping from the shipping companies of this country. Ship owners and Canadian sailors are going to suffer. These ships are going to come from foreign ports and go up to the head of the lakes, load cargoes and unload them in Toronto. Is this not an appropriate and opportune time, before the St. Lawrence is deepened, to pass a law to prohibit any coastal freighting back and forth in ships other than those that are built in shipyards in Canada? I know that this has been discussed time and time again. I know how the minister feels regarding the matter. I think this would be an opportune time for the minister to give relief, if relief can be given to the shipyards, through government action. I should like the minister to announce that now.

**Mr. Chevrier:** If my hon. friend is referring to coastal restrictions—and I presume he is—I agree with him fully that this is an opportune time to give careful study to this whole problem.

As I indicated when we were discussing the first item, I think in answer to the contribution made by the hon. member for Cape Breton South, this is a most difficult and complex problem, and I said it was my intention, before the end of the session, to make a statement on the matter. Unfortunately, it has not been possible for me to do that yet because of a number of features, but I do hope that it still will be possible for me or the Prime Minister to make a complete statement on the whole subject of coastal restrictions generally, and having in mind the great lakes-St. Lawrence seaway development, which I am sure will meet with the approval of the house.

[The Chairman.]

**Mr. Ferguson:** I wish to thank the minister for his reply.

**Mr. Nicholson:** May I remind you, Mr. Chairman, that we are discussing the following item:

St. Lawrence seaway surveys, investigations and design (including the former St. Lawrence ship canal surveys and investigations).

The construction of the St. Lawrence seaway is very vital to a great many provinces. If you are going to permit a wide open discussion I should like to bring in wheat; if you are going to allow a wide open discussion there are other matters I should like to bring in. I should like your ruling as to whether we are to have a wide open discussion again or are we going to confine ourselves to item 444.

**The Chairman:** As I indicated when I rose before, item 444 deals with expenditures in connection with the seaway, and if we are to make any progress I think I must do my best to see that the discussion is relevant to the item under consideration.

**Mr. Vincent:** Mr. Chairman, is the minister in a position to give us any information as to the probable water level of the St. Lawrence river? This will have a direct bearing on the municipalities of St. Lambert, Montreal south, and Mackayville, particularly if there is any change in the water level of the St. Lawrence river.

**Mr. Chevrier:** Mr. Chairman, the question of the water level would depend on whether the Lachine section—and I presume that is the section in which my hon. friend is interested—is developed separately for navigation or jointly for navigation and power, and until that has been determined I think I would simply be confusing the question by attempting to deal with it. This matter, as I indicated earlier, is still under discussion.

**Mr. Vincent:** Could the minister tell me when this question will be settled?

**Mr. Chevrier:** Mr. Chairman, that is a rather difficult question to answer. I can say that if we proceeded jointly with the province of Quebec we should have to determine this fairly soon because it is urgent that we know whether we shall proceed alone on navigation, or jointly with the province of Quebec on navigation and power. I communicated with the premier of the province who agreed that the matter should be determined in the near future. I hope it will be soon.

**Mr. Green:** Mr. Chairman, I think it might facilitate the progress of the work of the committee if we considered the supplementary estimates together with the items on the main estimates which have to do with the same vote. For example, on this vote there is supplementary estimate No. 735 and I see no reason why we could not cover both in our discussion.

**The Chairman:** Is that agreeable to the committee?

**Some hon. Members:** Agreed.

**Mr. Green:** In the details on these two votes we find that there is a very large sum included for professional and special services. In the vote in the main estimates the figure is $473,400 and in the supplementary estimates it is $255,000. In other words, about $750,000 is involved. The minister explained earlier in the discussion that engineers have been retained. I would ask him to explain whether all this money is to be spent for engineers, or in what manner it is to be expended. It seems a very large sum for professional and special services, and that amount, of course, is over and above any work done by the minister's own department.

**Mr. Chevrier:** Mr. Chairman, dealing with the present vote, that is the vote under consideration, there is an amount of $820,000 of which $473,000 is for professional and special services. That amount of $473,000 is broken down as follows: investigations to locate a suitable area for concrete aggregates in the St. Lawrence river basin, $120,000. In effect that is to cover core drilling. Along the international rapids section and the Lachine section we have a group of drillers who are attempting to find out what is beneath the crust surface and rock, and these drillers are also performing services in the La Prairie basin.

**Mr. Green:** What firms are doing this work?

**Mr. Chevrier:** This work is being done by employees of the department, both casual labourers and experienced men. Drillers have been employed from the northern parts of Ontario all of whom are skilled in operations of this kind, and additional casual help has been taken on.

**Mr. Fraser (Peterborough):** Is this work being done with government tugs?

**Mr. Chevrier:** This work is being done on land, not in the water. The breakdown continues: field services in the St. Lawrence river basin, $125,000; special surface investigation in the St. Lawrence river basin, $50,000. Then a hydraulic model is being constructed by the national research council of the international section in order to ascertain just what effect the works will have when they are completed. That will be determined when this hydraulic model has been set up, and on big jobs this is a normal practice.

**Mr. Green:** How much will that cost?

**Mr. Chevrier:** Eighty thousand dollars.

**Mr. Green:** Is all this work being done by the government?

**Mr. Chevrier:** All the work I have detailed is being done by the government. The house will remember that the international joint commission, when it approved the application of Ontario and the state of New York, recommended an arrangement covering two boards. One was the St. Lawrence joint board of engineers, and there was the control board. The board of engineers was to supervise and control the power works and that board has been appointed. Then the control board has to do with the level of the waters. Now, there is $504,000 which has been set aside in the supplementary estimates for this purpose. Then there is $255,000 for professional services. These costs are additional to the costs I have already mentioned which were foreseen in the development and planning of the entire project, including field surveys in the St. Lawrence river; the hydraulic model construction through arrangement with the national research council; subsurface investigations in co-operation with the Department of Mines and Technical Surveys; consulting services; and aerial surveys.

**Mr. Green:** Is all that work being done by the government or is some of it being contracted out?

**Mr. Chevrier:** None of this is under contract. This is all being done by the special projects branch of the Department of Transport which has its head office in the city of Montreal.

**Mr. Green:** Then this vote for professional and special services really covers government salaries.

**Mr. Chevrier:** No.

**Mr. Green:** It seems to me the minister must be wrong. I can quite understand that the item in the supplementary estimates covering $504,032 could be for paying government employees, but this item of $255,000 in the supplementary estimates for professional and special services would, I imagine, be paid out to some outside firms for that work.

**Mr. Chevrier:** I was going to interrupt the hon. member, Mr. Chairman, and say that in answer to the hon. member for Peterborough I indicated that some consulting engineers had been employed. They are not government employees, of course. Let us take, for instance, the firm of Mr. Pratley. He is being engaged to give advice to the special projects branch of the Department of Transport in connection with the effect which the navigational features of the Lachine section would have on the Jacques Cartier bridge. Likewise, another firm are being engaged for the same purpose with reference to the Mercier bridge. The firm of Surveyer, Nenniger and Chênevert are also being engaged with reference to the Victoria bridge. I understand they will be paid under the supplementary vote. Those are studies which are likely to take some time. But over and above this work, I think I am safe in saying that all the work is being done by the special projects branch of the Department of Transport.

**Mr. Gillis:** Mr. Chairman—

**Mr. Green:** I should like to ask a further question.

**The Chairman:** On the same matter?

**Mr. Green:** Yes.

**Mr. Gillis:** I am sorry to break up this conversation but there are a few more of us in the house. The point I am interested in, Mr. Chairman, is this. The supplementary estimate and the regular estimate indicate that the money now being voted is for surveys, investigations and design of the St. Lawrence seaway. The bill that authorized the government to go ahead with this project was entitled the "St. Lawrence Seaway Authority". When the estimates came in this time I assumed that there would be set up in the Department of Transport a separate section that would be known as the St. Lawrence seaway authority or that a separate organization apart from the Department of Transport would be set up to carry on this project. What I am going to inquire of the minister is this. Is this project to be carried on merely as another departmental function within the Department of Transport or is it the intention of the government to set up that seaway authority separate and apart from the Department of Transport?

In my judgment, this is not a routine government project; but if it is going to be carried on merely within the confines of the Department of Transport, and just as another section of it, in my judgment the government is going to run into the same kind of thing as the Ontario government has run into in connection with highways. This is something bigger than that matter. In my opinion, it is too big to be handled by just the routine people in the Department of Transport. If it is going to be done in that way, it sounds to me like Molotov's proposal to the Geneva conference: You accept the principle, and you go ahead and appoint those who are going to administer it later on.

I have my own opinion on this subject. I want to tell hon. members who are now quibbling about the details that they are just two years too late. I did the quibbling about details two years ago when the authority was set up. By the unanimous vote of the House of Commons, with one exception, the government now has the authority to go ahead with this project. Many of the members are going to be shocked before this project is completed. Will the minister now tell me whether it is the intention of the government to set up a special organization as designated by the bill that gave them authority to go ahead with the project? Will that project be taken out of routine circles as far as the Department of Transport is concerned? I think it should be taken out of routine circles. However, the estimates at this time do not indicate that procedure. The estimate at this time is merely the routine estimate of the Department of Transport to carry on surveys and investigations necessary for this St. Lawrence project.

**Mr. Chevrier:** My hon. friend is quite right in his summing up and his explanation of this position. There is no intention of building the great lakes-St. Lawrence seaway other than in accordance with the terms of the St. Lawrence seaway authority. It has not been possible to establish the seaway authority—in fact it would have been inadvisable to establish it—and to proceed with the construction until such time as all the obstacles had been cleared away. In fact, from the statements made by the Prime Minister and others, it was clear that that was something which could not be done until Monday of this week, because the last obstacle was cleared away only on Monday of this week when the United States supreme court decided to refuse the appeal. Pending that clearing away of obstacles, what we did was to establish in the Department of Transport a special projects branch that had to do with this project. When the government decides to establish the seaway authority, I believe that the corporation will have that special projects branch as a nucleus to proceed.

It is the St. Lawrence seaway authority that will undertake this project. The seaway

will not be built by a division of the Department of Transport, although the seaway authority will, I assume, be responsible to the Minister of Transport who, in turn, will be responsible to the House of Commons. However, my hon. friend is quite right. There is no intention of proceeding with a project of this tremendous nature by means of this vote. The machinery will ultimately take the form of the St. Lawrence seaway authority.

**Mr. Trainor:** Can the minister tell the committee whether United States participation in the seaway is contingent upon the construction of the canals in the international section on United States territory? If that is so, does it mean that use will be made of United States labour exclusively? Also, will control of that section be vested in a United States authority?

**Mr. Chevrier:** Those are questions which I cannot answer at this stage, nor would I attempt to do so. I do not know whether or not my hon. friend was in the chamber earlier when the hon. member for Peterborough asked the same question. I then indicated to him that negotiations would begin soon with the United States government and that I did not think I should attempt to tie the hands of the Canadian government by any statement on that matter. I am sorry that I cannot help my hon. friend, but I am sure that he will understand the situation at the moment.

**Mr. Noseworthy:** I have seen some public statements to the effect that now the last obstacle has been removed with regard to the participation of the United States, the Canadian government was willing to have the Americans participate provided there were not any further undue delays. I wonder whether the minister is able to give us any indication of just what is meant by those "undue delays" or how much longer we must wait before we can actually put some of our unemployed to work on the St. Lawrence seaway?

**Mr. Chevrier:** I think the statements having reference to undue delays which the Prime Minister made on more than one occasion in the house had to do with the act which was before congress and the appeal which was before the supreme court. Now that both of those obstacles have been removed I would think there may not be any further undue delays. By that I mean that the governments now should get together and decide upon what basis the works are going to proceed.

**Mr. Murphy (Lambton West):** Mr. Chairman, I think this is probably the right item under which to ask this question, and I should like to have the minister answer it. In making the surveys with respect to the seaway I assume that in the over-all picture the question of lake levels has been studied intensively. I should like the minister to indicate whether in the over-all project there will be further control at different parts of the seaway in order that lake levels can be reduced and held at a particular level. Would the minister also say what attitude the government is going to take with respect to the diversion of water through the Chicago drainage scheme and to what extent that is going to affect lake levels? He might indicate how soon lake levels will be reduced, what lake levels are going to be reduced, to what extent, and at what level it is expected they will be held.

I would imagine that the government is also undertaking a survey in connection with harbour improvements as the result of the seaway project having arrived at a further stage. I have in mind areas such as Sarnia where considerable work has been done by way of harbour improvement. I am not referring specifically to the item in the estimates for improvements this year. I assume it is anticipated that further improvements will be made in view of the completion of the St. Lawrence seaway.

There also seems to be an opinion that at the moment there is a bottleneck in the project in the form of the Welland canal. At the present time I believe it is capable of handling some 10 million tons a year, and I believe there are statements on record indicating that the tonnage will increase to 30 million. How soon that will be I do not know. From the point of view of making use of the seaway project to the fullest extent, I wonder whether it is going to be necessary to have another Welland canal side by side with the present one, so to speak, in order to take care of the increased tonnage. I would also like the minister to tell us if there are other bottlenecks that must be taken care of about which he can give us some information.

**Mr. Chevrier:** The vote before us now has nothing to do with lake levels. The lake level matter was disposed of by the international joint commission when the application by Ontario and New York state came before it. It dealt at full length with that question and recommended a method to protect lake levels on both shores of lake Ontario. That is why I stated earlier that

a control board has been established by the international joint commission for this purpose. I understand that the board is now dealing with the problem.

So far as the Chicago diversion is concerned, I made a statement in the house earlier on that matter. It is really one for the Secretary of State for External Affairs to deal with. It is an international matter arising out of the boundary waters treaty act and particularly out of a judgment of the supreme court of the United States. It is not covered in this vote, but I know it is a matter of keen concern to those of us who happen to live in the great lakes area. Canada has protested to the government of the United States against any further diversion, and where the matter is in congress I am unable to say.

Harbour improvements are not covered by this vote. Harbour improvements—

**Mr. Murphy (Lambton West):** I was referring to surveys.

**Mr. Chevrier:** Surveys are not being made to improve harbours. They are only being made in connection with the international section of the seaway. In any event, it would be the Department of Public Works that would look into the question of harbour facilities. So far as the Welland canal is concerned, it provides for 25-foot navigation. As the hon. member knows, the over-all picture is a 27-foot channel which takes into account a further deepening at Welland of two feet. That is already provided in the over-all expenditure of $300 million which was voted by the house in 1951.

**Mr. Hamilton:** Can the minister give us any fairly specific information as to what will happen to what is known as the Victoria bridge in Montreal with the advent of the seaway? Has any consideration been given to that matter, and what is likely to happen? Perhaps the final decision has not been made, but I should like that information before making any comment.

**Mr. Chevrier:** To answer that adequately would take some time, but let me do it as quickly as I can. In 1947 a board of engineers was established by the government to deal with the best method of developing the Lachine section, and in that study there is a reference to the bridges involved in the Lachine section. That report is a public report. It has been tabled in the house and can be seen. Unfortunately, however, it has been necessary to change some of the recommendations in the report because of the attitude of the Canadian National Railways and because of the greater cost of developing the Lachine section if the canal were on the north side rather than on the south side.

The plans have therefore been amended with a view, navigationwise only, of putting the canal in the Laprairie basin on the St. Lambert side. That will mean that studies will have to be undertaken of the bridges connecting the north and south shores. These studies are under way now, and it is with reference to these studies that consulting engineers have been engaged. The studies are not complete. All I can say is that I am hopeful from the preliminary reports I have received that there will be no undue delay in crossing these bridges because of the development.

**Mr. Hamilton:** It is very encouraging to hear the minister say that, because I think those of us in the city of Montreal who have thought about the matter at all are extremely perturbed. We know that this particular bottleneck, the Victoria bridge, is inadequate even at the present time to carry the traffic it is called upon to carry. We have heard rumours that a lift portion might be installed in the bridge in order to deal with canal traffic or that some other method might be adopted which would interrupt traffic on the bridge from time to time. Those of us who have crossed the bridge on Sunday night and have waited anywhere from fifteen minutes to an hour to make our way across because of the traffic jam realize that anything else that would interrupt traffic would be absolutely fatal. We are particularly perturbed because of the possibility of enemy action of some kind.

The bridge is practically a lifeline of the city, and we cannot think of evacuating the city on the one hand and on the other hand doing anything which would further obstruct traffic crossing the bridge. Therefore I am delighted to hear the minister say that every step will be taken to see that traffic over the bridge is not impeded. Perhaps in the course of these studies some way will be found to bring about a new bridge at that spot instead of the antique that is there at the present time. That would also be welcomed.

**Mr. Johnston (Bow River):** I should like to ask the minister how many labourers it is expected will be employed on this project in the year 1954. By that I do not mean engineers. There has been a great deal of talk about how much assistance is going to come to the unemployment problem by way of the St. Lawrence seaway project. How many workmen will be employed this year, 1954, and how many is it expected will be employed in 1955 and 1956?

**Mr. Chevrier:** That is really the $64 question. Let me answer it in this way. The surveys that were made by the economics branch of the Department of Trade and Commerce, which I used in 1951, indicated that when the work was at its peak some 15,000 workers would be employed.

**Mr. Johnston (Bow River):** That is by both Canada and the United States.

**Mr. Chevrier:** Yes. Recently I saw a statement by the Ontario hydro chairman that 10,000 workers would be employed when that work is at its peak. When my hon. friend asks how many will be employed in 1954, that will depend on how much progress can be made. In so far as the power end of it is concerned, there is nothing to stop commencement of the work immediately. I believe it will be possible next month to actually begin operations. As a matter of fact, the Ontario hydro now have a large number of workers in the international rapids section and so have we in the Department of Transport a number of workers in that section.

**Mr. Johnston (Bow River):** But ours are mostly engineers, are they not?

**Mr. Chevrier:** No, we have at least 110 men in the Lachine area, the Cornwall area and the Iroquois area. Some of these are working in co-operation with the Ontario hydro. How many more we employ in 1954 will depend on how soon we can determine whether we proceed alone or jointly with the province of Quebec, alone or jointly with the United States, and how soon Ontario begins the power work in the international rapids section, because we will have to follow not very far behind Ontario because of the fact the navigational work depends a great deal on the power development. I could only guess, and I would not like to guess. From that answer my hon. friend can see that it is somewhat difficult to reply to his question.

**Mr. Johnston (Bow River):** I realize that. I know it is difficult to say just how quickly this project is going to progress, how long it is going to take to reach its maximum point. As the minister indicated, we now have about 110 workmen on the power project. That is quite a few, but when you consider our tremendous unemployment problem, that number hardly enters the picture at all. Perhaps without going too far beyond the realms of possibility, the minister might indicate that during 1954, taking all the considerations into his calculations, he may be able to give us an estimate that 500 or perhaps 1,000 might be employed. Perhaps I am away out, and it may be 10,000.

I believe the working people of Canada would like to know because so many people are already depending upon the work that is to be developed on this project. I understand that in Cornwall and Morrisburg the applications for employment have been growing and growing. In fact, people are going there in the expectation they are going to find employment because there has been so much talk about how much employment is going to be available when this St. Lawrence project gets under way. There is no better time that I know of than right now for the minister to make his statement which would be very enlightening to our unemployed.

**Mr. Chevrier:** I am afraid that it is difficult and I would not like to go too far out on a limb. I would not like to be held down by any figure. I have before me my deputy minister, who happened to be the superintendent when the Welland canal was constructed, and who has had quite a bit of experience, but he would hesitate to give any figure. He has indicated earlier that it will depend on the progress we can make. No one realizes more than I do the particularly difficult unemployment situation in the area from which I come. No one will be happier and more anxious to proceed as expeditiously as possible because of that situation. But whether there will be 2,000 employed in 1954, or more, I am unable to say. If it were possible to get the power works under way and a determination of the navigational features in the international section, I think it would be reasonable to expect that about 2,000 employees would be taken on.

**Mr. Johnston (Bow River):** That is in 1954.

**Mr. Chevrier:** Yes. Again I say this is a guess, and I am not competent to make a guess. I hope I will not be held too strictly to it.

**Mr. Vincent:** With regard to the traffic between Montreal and the south shore, has any consideration been given to the possibility of building a tunnel between Montreal and the south shore?

**Mr. Chevrier:** Yes, it has, and the difficulties of a tunnel are such that we have decided against it.

**Mr. Gillis:** I believe the minister has been sensible in not making a guess as to what the labour content in the St. Lawrence seaway is going to be. It is going to be a lot smaller than many people think. When the Canso

project was under consideration the estimate made at that time by engineers was that a labouring force of approximately 1,500 would be needed and it would take approximately three years to complete the job. The work will be finished a year ahead of time, and the labour content was 120. With the machinery that will be available in a few years' time, there will not be many pick and shovel men.

Press reports indicate that the areas around Cornwall and Prescott have been flooded with men looking for work; that is not necessary. I have been led to understand this work will go through the national employment offices, and if you are living in Vancouver or Sydney, Nova Scotia, you can determine the availability of work in any section through your own employment office without flooding one or two areas in Canada. I wish the minister would inform the house that the hiring for the project will be done through the national employment offices, and not by agents who have no responsibility to anyone.

**Mr. Chevrier:** I would certainly hope it would, otherwise there will be complete chaos. The national employment service office in an area is established for that specific purpose, and I presume the contractors and the hydroelectric commission as well as the seaway authorities, when they require men, will proceed to get them in that manner. That certainly would commend itself to me.

**Mr. Green:** May I ask the minister whether there is any money to be voted in this year's estimates, either in the main estimates or in the supplementaries, for construction work on the seaway? Can he tell us roughly how the amount of work will be divided up between Ontario and the dominion? I presume a good many men will be employed by the Ontario hydro and not by the dominion at all.

Finally, could the minister explain further the situation with regard to the province of Quebec? He said in opening this discussion this morning that he had been in conference with the premier of Quebec. I am not clear as to just how that province fits into the picture. He mentioned not only power but also the seaway. My understanding is that Ontario is involved in so far as power was concerned, but not with the seaway, actually. I did not know that Quebec was involved, at all. However, that may be because of my own ignorance in the matter. If Quebec is involved, why did the minister wait until this very late date to negotiate with that province? It seems to me there should have been negotiations under way a long time ago, just as there have been with Ontario. An agreement was reached with Ontario some years ago. I cannot understand why so recently the minister has gone down to talk this matter over with the premier of Quebec.

**Mr. Chevrier:** I shall be glad to answer these questions.

First, in conection with whether or not this vote contains anything for the actual construction of the St. Lawrence seaway. The answer is that it does not.

**Mr. Green:** Is there any other vote?

**Mr. Chevrier:** Neither this vote nor any vote in the supplementary estimates, nor any other vote. They do not contain any allocation of money for the actual construction of the works on the seaway. That is provided for under the seaway authority which, I take it, will be established in due course by the government.

Then, with reference to the division as between Ontario and Quebec,—

**Mr. Green:** Ontario and the dominion.

**Mr. Chevrier:** Ontario and the dominion, and also Quebec and the dominion. In the international rapids section there is a development of 2,200,000 horsepower. The agreement made with Ontario was that it would look after the power works and we would look after the navigation works. That has been cleared.

My hon. friend understands that, so far as the province of Quebec is concerned, there is at Lachine, just opposite the city of Montreal, 1,200,000 horsepower which could be developed, and to which the power engineers in 1947 addressed their recommendations. They found that it was possible for the federal government to build a channel 27 feet deep in the Lachine section to join with the other channel in the St. Francis, Soulanges, the international rapids and the Thousand Islands sections, up to the head of the lakes, as one alternative. They also found as another alternative the possibility of joint development of power and navigation; and that can be found in the report to which I referred earlier.

Then my hon. friend has asked: Why do you begin talking with the province of Quebec at this late date? Well, we have not started at this late date. Not very long after we entered into the agreement with Ontario, we started having talks with Quebec hydro. And it was with the assistance of Quebec hydro that it was possible to produce the report to which I referred earlier—a report which makes a recommendation for the joint development of power and navigation in the Lachine section, a report which was afterwards altered and the estimates changed because of rising costs, and the like.

Now, until quite recently the engineers of the Department of Transport and of the Quebec hydro were in consultation. They reached a point where they could not go any farther, and both agreed that talks should continue at a higher level. It was for that reason I proceeded to go down to Quebec city and to inquire from the premier of the province if the time had not arrived to give further consideration to these talks, and to refer the matter back again, with instructions from both governments, to see if it was not possible to arrive at some agreement. Whether it will be or not, I cannot say. And that really was the object of my visit.

**Mr. Green:** This has nothing to do with the Americans?

**Mr. Chevrier:** No, not at all.

**Mr. Green:** What sort of development does the dominion government favour? Does it want a joint seaway-power plan, or separate plans?

**Mr. Chevrier:** In the American section, do you mean?

**Mr. Green:** No, so far as the Lachine section is concerned.

**Mr. Chevrier:** I do not think it makes any difference, so far as we are concerned. We can proceed either way. The only thing is this, that I think it would be better for the economy of the country to have a joint plan, because it stands to reason that if you are going to do power and navigation separately at two different times, it will cost more money than it would to do it jointly. And for that reason we thought that for the general benefit of the country as a whole it would be much better to develop them jointly. Of course it would mean a far greater expenditure. The total expenditure will be $400 million.

**Mr. Green:** The total estimated cost?

**Mr. Chevrier:** Yes, as opposed to about $122 million for navigation alone.

Now, whether it is possible to make an agreement with Quebec in the same manner as we have made one with Ontario, I do not know. All I can say is that, from Ontario, there was the fullest possible co-operation; and I can say the same so far as my interview with the premier of Quebec is concerned. There was from him the fullest possible co-operation, and I am hopeful that it will be possible to develop that area jointly.

**Mr. Green:** There was one question the minister did not answer, and that was the proportion of employment as between the Ontario hydro development and the seaway development.

**Mr. Chevrier:** Is the hon. member referring to the international section?

**Mr. Green:** Yes.

**Mr. Chevrier:** That will depend upon where the navigational works are situated. If the navigational works are situated on the American side, the proportion of power development, vis à vis navigational development, will be greater in Ontario than in New York. But if, perchance, the navigational features are on the Canadian side, there would be a far greater number of men employed on the Canadian side than otherwise.

But I still think there will be more men employed powerwise than navigationwise—even although the features are on our side of the line. In any event, there will be dredging, the relocation of the Canadian National Railways line, the removal of villages, the building of highways and a number of other matters which will bring a considerable amount of employment and the expenditure of a substantial amount of money on the Canadian side—even though the navigational features are not built there.

**Mr. White (Middlesex East):** Referring to the number of persons directly employed, it has been my opinion that a far greater number of people will be employed in those industries supplying goods of one kind or another to be used in connection with this great project. I should like to know what the proportion would be. If, for instance, a thousand were to be employed directly on the job, how many thousands would be employed in the industries supplying goods? What would be the ratio?

**Mr. Chevrier:** Well, that is a very difficult question to answer.

**Mr. White (Middlesex East):** There would be a good many more, would there not?

**Mr. Chevrier:** I would think so, yes. And I would think, too, that the industries which will build the generators, the electrical equipment, and the machinery arising from this tremendous development would employ a large number of people.

**Mr. Brooks:** Will the people employed in the manufacture of generators and the like be Canadians? Have we any guarantee of that? Or will these items be purchased by contract in the country where we can get them cheaper?

**Mr. Chevrier:** That would depend upon the contractors themselves. I do not know how the Ontario hydro will proceed, but I think the Prime Minister gave some indication of the intention of the government when replying to a question on the orders of the day on

that subject. I have no doubt that the vast majority of men that will go into this huge project will be Canadians, and likewise equipment. But there may be many occasions when British firms should be given an opportunity to tender on a number of contracts and subcontracts, and I do not think it would be the intention to stop them from bidding.

**Mr. Pallett:** There is one question that I should like to ask the minister, arising out of his comment that the navigational channel may be on the United States side. Have any agreements been signed with respect to the tolls or charges being levied against ships passing through?

**Mr. Chevrier:** I hope I did not say any such thing. I certainly did not mean to, and if I did I had no intention of saying it, because I made it quite clear that the negotiations between Canada and the United States have not yet begun, and I would not like to say anything that might prejudice those negotiations. I do not know where the canal will be; all I know is what the bill of congress says, and what the Prime Minister has said following the decision in congress. I would prefer if my hon. friend would be good enough to bear with me to stay in that position, because I would not like to prejudice negotiations.

**Mr. Hamilton:** I have one simple question to ask the minister arising out of employment on the seaway. Has it yet been decided who will be employed to head up this entire project? If so, is it possible for us to know?

**Mr. Chevrier:** That has not been made known yet, but I take it, it will be announced in due course by the Prime Minister.

Item agreed to.

Canal services—

*445.* Administration, $141,980.

**Mr. Fraser (Peterborough):** Will the minister say what has been spent on the Trent waterway this year on repairs and new works?

**Mr. Chevrier:** It is the next item, I think.

**Mr. Fraser (Peterborough):** This has to do with canal services.

**Mr. Chevrier:** This is canal administration.

**Mr. Fraser (Peterborough):** All right; I shall wait.

Item agreed to.

Canal services—

*446.* Operation and maintenance, $6,054,242.

**Mr. Fraser (Peterborough):** I might inform the minister this is the longest stretch of controlled water in the world, 250 miles.

[Mr. Chevrier.]

**Mr. Chevrier:** I am informed it is $256,000.

**Mr. Fraser (Peterborough):** That is for repairs and new works?

**Mr. Chevrier:** Yes, repairs, upkeep, maintenance.

**Mr. Fraser (Peterborough):** Will the minister say whether a new bridge is to be built at the Park Hill road, right at the lift lock?

**Mr. Chevrier:** There is an item for a new bridge here, but unfortunately it is not in Peterborough.

**Mr. Fraser (Peterborough):** There is a bottleneck there.

**Mr. Chevrier:** Yes.

**Mr. Fraser (Peterborough):** I understand that a survey has been made.

**Mr. Chevrier:** Yes, I am familiar with it. Some delegations came down in connection with it, and I have had correspondence, and I think my hon. friend has also written about it. It is still under study; there is nothing in this item covering that project.

**Mr. Fraser (Peterborough):** The reason I mention it is that you really cannot cross that bridge at night or in the daytime without fear of an accident, because there is a slope up to it each way. It is extremely narrow and if a truck and a car meet on the bridge there is sure to be an accident.

Has any consideration been given to a bridge at Burleigh, which is also a bottleneck? The one at Young's Point is being fixed, and it will do away with the lock there. At Burleigh there is a real bottleneck on the one-way bridge, especially at the Perry's creek end of it.

**Mr. Chevrier:** There is no item covering the Burleigh bridge here. There is a bridge being constructed at Washago.

**Mr. Fraser (Peterborough):** That is away up in the suburban section.

**Mr. Chevrier:** That is included in this item.

**Mr. Fraser (Peterborough):** There is nothing on the Burleigh end of it at all?

**Mr. Chevrier:** No, there is not.

**Mr. Fraser (Peterborough):** Does the minister know whether there have been any negotiations with the minister of highways of Ontario regarding that?

**Mr. Chevrier:** No, there have not.

**Mr. Castleden:** I notice that this item for canal maintenance amounts to something over $6 million. Can the minister give us

a break-down of the main canals on which this $6 million is spent? Has he a break-down of those canals?

**Mr. Chevrier:** Yes, of that $6 million, $5 million is for salaries and wages.

**Mr. Castleden:** Has the minister a break-down of the various costs? For instance, can he give us the cost of maintaining the fine Rideau canal system from Ottawa to Kingston?

**Mr. Chevrier:** The Rideau canal is $468,886.

**Mr. Castleden:** There must be some which are larger than that. Can the minister give me a break-down?

**Mr. Chevrier:** Yes; the Welland canal, for instance, is $1,816,000; the Trent canal, $543,000; the Murray canal is a small one, about $35,000.

**Mr. Stanton:** Has the department ever furnished ferry service across canals or in the lakes? Has it ever considered that it is its responsibility to provide small ferries that go across to certain islands in the Rideau system or in any other system?

**Mr. Chevrier:** The question of ferry service is one that does not fall within this item; it is one which is studied and authorized by the maritime commission. This vote has nothing to do with ferry service. Under this vote we do not pay any subsidy or give any assistance to the operation of ferries.

**Mr. Stanton:** On some occasions the department has provided small ferries for the accommodation of certain individuals who have to cross certain parts of the Rideau canal, and that has been given in past times.

**Mr. Chevrier:** My deputy minister informs me that he is not aware of any such service being performed.

**Mr. Noseworthy:** I understood the minister to say that the maintenance of the Rideau canal system costs something like $400,000. Just what national service is performed by that system to warrant the expenditure of $400,000 a year?

**Mr. Chevrier:** There is a system of secondary canals in Canada, such as the Trent, the Rideau and the Murray, and perhaps one or two others whose names escape me at the moment, that serve a tourist purpose, and they have been instrumental in assisting the economy of the country. Generally I think the Trent canal is one such canal. People would protest very vigorously if any attempt were made to withdraw it. We gave consideration to the facilities of the Rideau canal at an earlier date, and because of the position which we found at the time we decided to curtail substantially the expenditure by, I think, the imposition of two shifts instead of three, and that is the position which obtains at the moment.

**Mr. Noseworthy:** Mr. Chairman, has the minister any figures at all in regard to the extent to which the Rideau canal is used for tourists?

**Mr. Chevrier:** All I can say is that it is used substantially and there is some revenue, but it is not commensurate with the expenditure.

**Mr. Castleden:** Mr. Chairman, the figures which the minister gave cover the Welland canal for about $480,000, and the Trent canal $500,000, and an amount for the Rideau canal, all of which only cover about half the estimates. Could the minister give a break-down of the remainder?

**Mr. Chevrier:** The Cornwall canal $577,000; the Williamsburg canal $288,000; the St. Peters canal $47,000. The Quebec canals are as follows: the Lachine canal $910,000; the Soulanges $490,000; the Chambly $199,000; the Carillon and Grenville $148,000; Ste. Anne $28,000; St. Ours $32,000; the Beauharnois $6,000; Sault Ste. Marie $198,000.

**Mr. Castleden:** Thank you.

**Mr. Green:** Mr. Chairman, there is a large increase in this vote this year amounting to $623,500 in addition to the new supplementary estimate vote No. 736 which is for $100,000. I notice in the details that there has been an increase in the regular staff of 84. Now, why is it necessary to have an increase of this size on the regular work of operating and maintaining the canals?

**Mr. Chevrier:** First, there is an increase in this vote due to the expenditure of over $500,000 in increased salaries and wages.

**Mr. Green:** But why the increase in the number of employees?

**Mr. Chevrier:** I am about to deal with that now. The reason for the increase in the number of employees is the imposition of the 40-hour week. Because of that it has been necessary to take on more men.

**Mr. Green:** Then this supplementary vote for $100,000 is all for professional and special services. What are the details of that?

**Mr. Chevrier:** I am informed that this is in connection with the model for the Gut dam. The committee will recall—

**Mr. Green:** But the Gut dam has been removed.

**Mr. Chevrier:** Yes, but I am informed it was necessary to build a model and this is

in part payment of that, together with the services of engineers in connection with the removal of the dam.

**Mr. Green:** Was not that completed last year?

**Mr. Chevrier:** Yes, but I am informed there are claims still outstanding in connection with the removal of the Gut dam.

**Mr. Green:** But is this for professional services, or is it to pay for the removal of the Gut dam?

**Mr. Chevrier:** I am informed that it is to construct a model, as I said earlier, by the national research council for this purpose, and also to pay some damage claim.

**Mr. Green:** How much of it is for damage claim?

**Mr. Chevrier:** I am told that it is all for the model and none of it is for damage claim. I am sorry if I misled the hon. member.

**Mr. Green:** This is quite important because there is a large vote, I believe, in external affairs for damage caused by the removal of the Gut dam. Some Americans were trying to get on the gravy train and I was wondering if Canadians were also making claims for damage because of the removal of this dam. Everyone seemed to be in favour of its removal a year or two ago. Are there any Canadians making claims?

**Mr. Chevrier:** Yes, there are, and there will be Canadians and Americans making claims arising, not out of the removal of the dam, but for damages to their homes attributable, so they say, to the Gut dam.

**Mr. Green:** The Gut dam, or its removal?

**Mr. Chevrier:** No, the Gut dam. The information we have in the department and certainly the information which was obtained by the United States corps of engineers is clearly indicative of the fact that the Gut dam in no way affected the water level, but that the damages were caused by the rise in the water level of lake Ontario which was due purely to natural causes, and for that reason I think the Secretary of State for External Affairs was given instructions to defend any such action.

**Mr. Bell:** Mr. Chairman, can the minister say what the government policy is regarding the renting of space to private individuals along the docks and canals?

**Mr. Chevrier:** Well, it depends on what jurisdiction the space comes under. If it is under the national harbours board jurisdiction there is a tariff established by bylaw. If it is under a commission such as the Belleville harbour commissioners, then they would establish their own tariff. If it is under the Department of Transport, as is the case here, it is done by lease and there is a uniform charge which I could get for the hon. member. I do not know what it is.

**Mr. Bell:** On the docks and canals directly under the Department of Transport, a private individual could rent space on the tariff you mentioned and use it to hire out boats and things like that?

**Mr. Chevrier:** Yes.

Item agreed to.

Canal services—

447. Construction or acquisition of buildings, works, land and new equipment, including payments to provinces or municipalities as contributions towards construction done by those bodies, $2,085,100.

**Mr. Brooks:** Mr. Chairman, I just wish to make a few remarks on this item. We realize that certain canals are important, particularly the Welland canal and others which are in use. The canals of this country were formerly very important, but there are many canals which, I believe, are becoming quite useless and, as has been indicated by the number of questions today, it seems to me we are spending a lot of money which may not be considered necessary.

With reference to the construction of canals, I think I would be rather remiss, coming from the maritimes, if I did not mention a canal for which we have asked consideration for quite a number of years and which today, I believe, is more important than it ever has been. I say that, Mr. Chairman, because of the proposed development of the St. Lawrence seaway. When that is developed I believe it will mean a great deal more coastal trade on the Atlantic coast with the United States and with South America. We are going to spend many millions of dollars for the development of the St. Lawrence seaway and that will be of great assistance to this country in trade with the United States as well as with overseas. The trade which is now being carried by trucks and railways from Canada to the United States and vice versa will, I believe, when the St. Lawrence seaway is constructed and on account of the cheapness of water transport, be all conveyed by our coastal steamers.

On the Atlantic coast, as we have pointed out time and time again, some 700 or 800 miles of route could be shortened by a canal across the Chignecto isthmus. We have asked little from this department or little from the government with reference to canals. I think the only canal we have in the maritime provinces is the St. Peters canal. From the estimates I noticed this morning that, of the

cost which the minister mentioned in connection with these canals, $47,000 has been spent for the St. Peters canal.

I am not recommending this project simply because I feel we in the maritime provinces should have more recognition, but because I believe that the Chignecto canal will be a real asset and that it is complementary to the development of the St. Lawrence seaway. I believe there is going to be a tremendous increase in this coastal trade. The development of this canal will save some 700 or 800 miles for this trade. As hon. members know, ships that have to go around Cape Breton and Nova Scotia run into the dangers of Sable island which I have understood has been called the graveyard of the Atlantic; it is a rather dangerous route. If a canal were constructed through the isthmus of Chignecto, you would have a sheltered route through the bay of Fundy and down the New Brunswick, Nova Scotia and American coast.

I should like to ask the minister if, in connection with the St. Lawrence seaway, any study has been made of this proposition as providing a shorter and more desirable route for trade with the United States and with South America? If no study or consideration has been given to it, I should like to ask whether his department would consider giving some study or consideration to this matter which I consider to be an extremely important one.

**Mr. Chevrier:** As the committee knows, this subject is one of keen interest to the members from the maritime provinces. I must say that no study has been given to the construction of the Chignecto canal in conjunction with the St. Lawrence seaway. The studies that were made having to do with the seaway were for the joint power and navigation development with the United States. The last studies that were made were carried out some years ago and, as my hon. friend knows, a report was tabled in the house; I have referred to it from time to time. I think the only way in which to give consideration to the construction of the Chignecto canal would be by the establishment of another such body. Whether the time is opportune for that action, I do not know; perhaps it is. I think that the house could not take any action—and certainly not by anything I could say at this time—unless a complete engineering study were made. It may be possible to do this at some time. I certainly would have no authority to say that it could not be done.

**Mr. Brooks:** May I ask the minister this question? He can answer or not, just as he likes. Would he not consider it to be a more practical proposition today than it has ever been considered to be in the past?

**Mr. Chevrier:** To that question I think I would have to answer yes.

**Mr. Brooks:** I thank the minister.

**Mr. Noseworthy:** Before this item passes I want to comment on the general way in which estimates are presented to us. What I have to say applies to this particular item and in general to the presentation of estimates. Under "Canal services", we have six pages of estimates showing how many charwomen are employed in the system, how many messengers, how many typists, how many stenographers, how many gas engineers and electrical engineers and so forth. We have six pages devoted to giving us information as to the wage or salary paid to each one. The amount involved is something over $6 million. But when we get an item here of over $2 million, it is dismissed in two lines. All we have is "Construction or acquisition of buildings, works, land and new equipment". An item of over $2 million is dismissed in two lines in the estimates whereas six pages are taken to tell us how many typists, stenographers, charwomen and so forth are employed in the entire federal canal system.

I am simply suggesting that members of the committee would be much more interested in having more details about the acquisition and construction of the buildings, equipment and so forth than they are in knowing how many typists the system employs and what we pay those typists. That is a criticism that applies to the entire system of presenting estimates to the House of Commons.

**Mr. Chevrier:** I do not take it as a criticism, Mr. Chairman. I simply say to my hon. friend that the Department of Transport does not decide the manner in which estimates shall be tabled in the house. That is something that is done by the Department of Finance. That department determines the method. If the method is not a correct one, that is a matter for that department. I shall be glad to draw my hon. friend's remarks to the attention of the Minister of Finance. Perhaps when the estimates of the Department of Finance are before the committee, the hon. member as well might bring the matter to the attention of the minister.

**Mr. Blackmore:** I should like to say a word in support of the hon. member for Royal in his request concerning the Chignecto canal. I have not had the opportunity to make a thorough study of this canal but what I have learned greatly commends it to me. I believe that the governments have been

negligent concerning this matter. The maritimes certainly have the right to consideration of that sort, namely the building of a canal which would accomplish the saving mentioned by the hon. member. I think it is time that the minister set the necessary wheels in motion in order to have something done about this canal.

**Mr. Lusby:** Mr. Chairman, I just came into the chamber a moment ago but I was greatly interested in hearing the remarks made by the minister with regard to the Chignecto canal and his statement that he thought the only proper way to consider the matter would be by the appointment of a royal commission. I had a good deal to do with the campaign a few years ago in connection with the Chignecto canal. I should like to say that I believe the people of the maritimes generally consider that that is exactly what should be done. We are not asking that the canal be built merely because it was a promise of confederation, although I think it undoubtedly was one. We believe that if a commission would inquire fully into the economic possibilities and benefits of that canal, it would bring in a favourable decision. What we should like to see is the appointment of a royal commission to make a comprehensive inquiry in the light of present-day conditions. Conditions have changed considerably, of course, since the days of the Surveyer commission, in 1931, I think it was. If a royal commission were appointed, I believe the people of the maritimes would be well satisfied to abide by its decision.

Item agreed to.

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**The Chairman:** Order. When the committee rose at one o'clock I understand we were discussing item No. 448. Shall the item carry?

Item agreed to.

Marine service steamers—
449. Administration, operation and maintenance, $6,228,000.

**Mr. Hamilton:** I think this might be the place, if it is agreeable to the minister, to ask for a little information with respect to the fire boat in Montreal harbour. I notice that he has some 77 permanent firemen under this classification plus another 41 seasonal firemen, so I would think this is a good place to ask the question. I also notice that he has three gentlemen who seem to have wandered over from the Department of Finance. They are called trimmers. He also has somebody who has probably come from the Secretary of State's department. It might even be the Secretary of State himself. He is called a boatswain's mate and gasman.

Coming directly to the fire boat itself, earlier in his estimates the minister pointed out that his department had entered into an arrangement with Vancouver by which they each share in the upkeep of a fire boat, and that nothing of the sort was being done at the present time in Montreal. I should like him to tell us first whether the situation with regard to the two ports is not somewhat different. It is my understanding that in Vancouver there is a good deal of city-owned property connected with the port and also a number of private docks, such as the C.P.R. dock, which have to be protected, whereas in Montreal the entire harbour is the property of the national harbours board. Perhaps we could get that out of the way as the first question.

**Mr. Chevrier:** Mr. Chairman, I had hoped that we could discuss this under the national harbours board estimates which are a little further on and which deal with this particular matter. They do not deal precisely with the matter in question but we certainly could discuss it under those items. I have no objection to discussing it now but if I do so I invite discussion on other items which is not clearly relevant. I wonder whether my hon. friend would allow it to stand until we get to the national harbours board items when I will deal with that point.

**Mr. Hamilton:** I will be very glad to. Would the minister like to give us a little bit of information as to what type of transportation and boats he is operating under this item and the type of work they are doing?

**Mr. Chevrier:** Yes, Mr. Chairman. This vote provides for the operation of all the steamers in the Department of Transport such as the *d'Iberville,* the new ship which was put into operation last year, the *C. D. Howe,* the *Saurel* and the *Lady Laurier* on the east coast, the *Mackenzie* and *Estevan* on the west coast, and a number of other ships in the Parry Sound district, the Prescott district, the Cornwall district and in the Montreal district. There are 32 such vessels being operated by the department under this vote.

**Mr. Hamilton:** Actually that was one of the things that interested me. I notice that there is provision for 30 masters, 19 permanent and 11 seasonal.

**Mr. Chevrier:** I did not hear that.

**Mr. Hamilton:** I notice that the minister has provided for 30 masters and apparently there are 32 boats in operation according to the statement he has made. On what basis are the other two operating?

**Mr. Chevrier:** I presume they are operating on an assistant basis. The officer who is before me tells me it is the practice to have a number of spares.

**Mr. Hamilton:** But already we have more boats than masters. We have 32 boats and 30 captains or masters, as the minister calls them.

**The Chairman:** Shall the resolution carry?

**Mr. Hamilton:** I am waiting for what is really an answer to a mathematical problem.

**Mr. Chevrier:** I will have to get the answer for my hon. friend. I do not have it available at the moment.

**The Chairman:** Shall the item carry?

**Mr. Hamilton:** I have no desire to hold up the item indefinitely but I would not like to see it go through because of the possibility of other questions arising from the answer to this one.

**Mr. Chevrier:** Could I not give my hon. friend the information during the consideration of these estimates?

**Mr. Hamilton:** Could we not let the item stand and proceed with the next one?

**Mr. Chevrier:** It has not been the practice to stand items. If we do that, I am afraid it will be difficult to make progress. I should like to get on with the estimates. I am sure my hon. friend will understand that with the number of votes in this department there is information that it is not always easy to obtain at a moment's notice, but I can assure him I will get the information for him.

**Mr. Hamilton:** I object strenuously to this procedure. I am asking what seems to me at least to be a perfectly reasonable question. I am told we have 32 boats in operation. I look at the estimates and I see that we have 30 masters. I therefore ask for an answer to the question. I am interested in that. I am told that the minister cannot immediately produce the answer, and that is all right, but then an attempt is made to say that I should go off in a corner and forget about the whole thing and the information will be given me later. But if I want to pursue any point that may arise out of the answer to the question then this item of the estimates will already have been disposed of.

**Mr. Chevrier:** Could I put it this way? The matter will not be closed. I will allow my hon. friend to bring it up on another relevant item. If there is not a relevant item then, as has been done before, it could be discussed on the last item of these estimates or the last item of the supplementary estimates. The information I have before me now is that there are 32 vessels which will be actively engaged in this service. I am not able to give the answer to the question at the moment, but I hope to be able to obtain it during the course of the day.

**Mr. Green:** It is merely a matter of the minister getting the information from his officials.

**Mr. Chevrier:** That is right.

**Mr. Green:** If that is the situation, why not let the item stand and come back to it as soon as the information has been obtained? As the hon. member for Notre Dame de Grace has said, other questions may arise as the result of the answer the minister gives.

**The Chairman:** Shall the item carry?

**Mr. Green:** I suggest that the minister will make progress if he lets the item stand and does not try to put it through without having given the information.

**Mr. Chevrier:** I was hopeful that the suggestion I made would be accepted. However, if it is not, I have no objection to the item standing.

Item stands.

Marine service steamers—

*450.* Construction or acquisition of vessels and equipment, $3,418,000.

**Mr. MacLean:** In the details of this item I notice the heading "reconstruction and refit of stand-by vessel for Pacific ocean weather station 'P', $400,000." Would the minister tell us briefly what is the situation regarding Canada's contribution towards ocean weather stations? I realize that in some cases they are provided by the navy.

**Mr. Chevrier:** The position was this: By virtue of an agreement we are operating a weather station in the Atlantic, but that weather station has now been taken over by the United tates and we are operating a weather station in the Pacific. We have two ships which are used in the operation of that station. The expenditure, I am told, is to refit one as a stand-by.

**Mr. Green:** What is the position now with regard to weather ships in the Pacific? I believe the United States did withdraw some of their ships. Has that difficulty been straightened out?

**Mr. Chevrier:** Yes. The United States gave notice, arising out of their representations to ICAO, that they intended to withdraw from the operation of weather stations, certainly those on the north Atlantic. There were objections from the member states of ICAO, and the result was it was decided to refer the whole matter to a conference in Paris at which the representatives of the various countries interested would be present. The conference took place, with the result that the position is somewhat altered, but in the main the principle is the same, namely that practically all the weather ships in the Atlantic and those in the Pacific remain, with the exception of one ship which will be taken over by other member states. It may be—I am not too sure about this—that one of the stations has disappeared. But in any event, this particular station remains as it was.

**Mr. Green:** Why did the United States take that stand? It never seemed to make sense to me that they would withdraw this weather ship.

**Mr. Chevrier:** I believe it was a question of cost. If my hon. friend recalls, there was a great deal of discussion in congress about the tremendous costs, not so much of weather ships, but of defence installations generally. I presume that one of the items that was looked at towards the reduction of that cost was weather ships. With new equipment and so forth, it becomes perhaps a little easier to fly across the Atlantic than it was in the earlier days. However, Canada feels that the weather ships are of great importance to the safety of aircraft, and feels they should not be removed. We have maintained that position. I believe one of the main reasons was one of cost.

Item agreed to.

Aids to navigation—

452. Construction or acquisition of buildings, works, land and new equipment, $1,586,720.

**Mr. Nowlan:** This item covers the construction and acquisition of equipment for navigational aids. The minister may possibly recall that during the session of 1951 I raised with him the question of the extension of navigational aids in the bay of Fundy. The minister did not have the information available at that time but he promised me he would communicate with me afterwards. With the courtesy which I have usually experienced from him, we exchanged correspondence during the summer dealing with this matter. The result was that the minister said he felt that it was impossible at that time to provide additional navigational aids in the bay of Fundy because of the amount of money involved, but he would keep it under consideration and when funds were available he would hope to deal with this matter.

It may be, Mr. Chairman, that in this additional vote we have here today, the minister has provided for that. I have not had the opportunity of discussing this with him. As he knows, I have been out of the house for various reasons and have not had the opportunity of discussing the matter with him personally. As I pointed out to him at that time, from Digby at Point Prim to Spencer's island, a distance of roughly 100 miles, there are no aids to navigation whatever except the ones listed by the minister in the correspondence he sent me. If the minister has that list in front of him, he will find that in every case they are fixed lights and not whistling buoys or horns or anything of that description.

Although the minister did point out that I had raised specifically the matter of Halls Harbour, there were only a few boats operating out of that port. However, there are many other boats operating in the bay of Fundy. There are the gypsum boats and the pulp and paper boats, carrying cargo and people. While we have lighthouses, the minister told us about his experience of flying over the vast expanses of the Atlantic and seeing the conditions under which lighthouses operate. I suggest that if he were out on the bay of Fundy on a foggy day with a heavy surf running, he would find the fixed light would be of very little assistance. The requirement is for sound buoys of some kind, something on which you can get a bearing. Now, you go up the most dangerous waters in the world, with the highest tide and the heaviest currents, and you have a 90-mile expanse from Digby at Point Prim to Spencer's island without a single buoy or foghorn on which you can get a bearing. This is a serious situation.

The minister suggested it would cost perhaps $5,000 to put in a whistling buoy. Costs may have gone up since 1951, but I doubt if they have gone up very much. We have a vote here of $127 million for this department. I suggest the time has come when, if the minister has not decided to do something about it, he should do so now. He very modestly disclaimed any desire to have the Canso causeway named the Chevrier causeway. We have heard rumours that possibly the minister will retire from this department. I hope that is not true. I can assure

him of this. If he will accept my request I will see that any buoy that is placed out in the bay of Fundy is called the Chevrier buoy, and the minister will have the everlasting gratitude of the fishermen.

**Mr. Chevrier:** Perhaps we could call it the Chevrier girl, after one of my daughters. On more than one occasion the hon. member has brought this matter to my attention, and as he says there has been some correspondence in connection with it. There are a number of works provided for in the bay of Fundy, but unfortunately we have not yet been able to provide for the particular project mentioned by the hon. member for Digby-Annapolis-Kings. One of my officers here nods his head, and whether that means that he is going to do it or not—

**Mr. Nowlan:** Can you get him to nod it more affirmatively?

**Mr. Chevrier:** —I know that at least it will be given consideration for the next fiscal year.

**Mr. Barnett:** I notice this item concerns aids to navigation and I am wondering whether I would be in order in raising a question that pertains to obstructions to navigation? While we are considering this item, will the minister make a statement as to the situation in respect to the removal of Ripple rock? What are the results of the experimental borings which were undertaken some time ago?

**Mr. Chevrier:** I can get the house this information, that this matter has now been referred to another department. Ripple rock is no longer a matter to be determined by the estimates of the Department of Transport. I do not think it ever was. It was always under the Department of Public Works. But a special committee has been given instructions, in conjunction with the national research council, to deal with this matter, and the responsibility for it has been assigned, I believe either to the Minister of Public Works or to the Minister of Trade and Commerce, I am not sure which. But it no longer comes under this department.

**Mr. MacLean:** At page 525, in the explanatory notes, I notice an amount for the removal of obstructions in navigable waters. The estimate is increased from $32,000 to $100,000. Would the minister explain this large increase?

**Mr. Chevrier:** That is for lake Erie, and it is due to the removal of a number of wrecks lying adjacent to the lake channel.

Item agreed to.

Nautical services—

453. Administration, operation and maintenance, including grants and contributions for the purposes indicated in the details of the estimates; rewards for saving life from vessels in distress; subsidies to salvage companies, and the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act, $474,764.

**Mr. Green:** Mr. Chairman, there are two questions I should like to ask. This item, I see, deals with the operation and maintenance of nautical services. My first question has to do with the establishment of a coastguard service. The hon. member for Nanaimo dealt with this matter at some length on an earlier occasion when the estimates of this department were under consideration. I do not want to add anything to what he said, but I would like to ask the minister if he would take the lead in having another investigation made of this question.

For some years now we have had the search and rescue service and, while it has done good work, it is becoming increasingly clear that such service is not going to be sufficient for very long. I believe steps would now be taken by the government to have a further investigation made. About six weeks ago the tugboat men on the west coast formed their own rescue team, because they felt that the service available was not satisfactory.

I have here a dispatch from the Vancouver *Sun* of April 23 bearing the heading "Tugboaters Form Own Rescue Team". It continues with the subheading "Ottawa Refusal of Coastguard Angers Industry", and the first paragraph is as follows:

British Columbia towboat men, fed up with Ottawa's cool attitude to demands for formation of a coastguard, today completed plans for a tugboat rescue unit which will attempt to fill the gap.

There should not be an obligation on the men in the industries to take steps of that kind. Of necessity such arrangements will not be as thorough or as efficient as if there were a proper coastguard service. Time and again we have accidents on the west coast. United States coastguard vessels are there to render help. I know that sometimes the Canadian vessels help the Americans. There is very close co-operation between the ships of the two nations.

However, I suggest that the development of the west coast has now reached a stage where there should be established a proper coastguard service. We have now the big aluminum plant at Kitimat. A city is being established there which, eventually, will be of about 30,000 people. The whole of the coast is opening up, and there is far more traffic on those waters than there has been before. As the minister knows the waters are extremely dangerous.

I believe the situation is summed up very well in an editorial which appeared eight days ago in the Vancouver *Sun*. This editorial, dated June 3, is headed "Coastguard Still Needed". The editorial states—and I shall read only two paragraphs—

> Logic is not the Liberal government's strongest point.

The *Sun*, of course, is an ardent supporter of this government, and the leading newspaper supporter in the west.

**Mr. Chevrier:** And a very ardent admirer of mine, too, I notice.

**Mr. Green:** Yes, sometimes. The editorial continues:

> It has again turned down a request for a Canadian coastguard saying there's no need, because R.C.A.F. and marine agencies co-operate quite happily to rescue ships in distress.
>
> This is, obviously, proof that a regularly established, fully manned, highly trained Canadian coastguard with correctly designed ships—

Of course that is another very important feature.

> —would be even more successful than a semi-official and voluntary rescue service. But the government can't or won't see all the benefits from a separate coastguard service.
>
> On this Pacific coast air force and tug companies have allied to set up a rescue team. They've done good work. On this basis alone the worth of a proper service has been proved.

Would the minister comment on the suggestion that the government departments should have another look at this question as to whether or not the time has come to establish a proper coastguard service? I have another question under this item, but it does not refer to this service.

**Mr. Chevrier:** As my hon. friend knows, and as I indicated earlier, the matter of protection of coasts was referred to an interdepartmental committee some years ago. As I also indicated, the chairman of that committee was a distinguished jurist of the province of British Columbia who, at the time, was chairman of the maritime commission.

The result of the investigation was a recommendation to place under the air rescue division of the Department of National Defence the protection of our coasts in the manner set out in that report. It may be that the time has arrived to take another look; I am not prepared to say that it has not. But I am sure it is a matter that my hon. friend would realize would be very costly. If it was estimated to cost $9 million or $10 million then, it would probably cost far more than that today.

However, it may be that other means can be found. As my hon. friend knows, the matter is not under the Department of Transport any longer. It is handled by a division of the Department of National Defence.



**Mr. Green:** Exclusively?

**Mr. Chevrier:** Oh yes—search and rescue. However, I shall be glad to bring it to the attention of my colleague the Minister of National Defence to see if, because of present conditions, it is not advisable to ask the interdepartmental committee which dealt with the matter in 1951 to take another look at the situation today, in view of changed circumstances.

**Mr. Green:** Was it the recommendation of that committee that this system of having the air force in charge of the air rescue service would be permanent; or was it merely a temporary arrangement?

**Mr. Chevrier:** I do not think it was either permanent or temporary. I think it was one of the recommendations that came out of this investigation, and we simply adopted it. There is nothing permanent about any of these arrangements; but if it works well I think perhaps it should be permanent. On the other hand, if it does not work well there is no reason why it should not be changed.

**Mr. Cameron (Nanaimo):** I wonder if the minister would clear up a point for me in this connection. I was not quite sure the other day, when he and I had an exchange in connection with this matter, whether the $9 million or $10 million to which he referred at that time, and to which he has referred again this afternoon, was to cover the cost of the coastguard on the Pacific coast, or the cost of the coastguard service on the Atlantic coast, the Pacific coast and the great lakes—the whole of them.

**Mr. Chevrier:** Yes; the total cost of the $9 million covers the east and west coasts and also the great lakes.

**Mr. Cameron (Nanaimo):** I think the minister said the estimated cost of operation was between $3 million and $3,500,000.

**Mr. Chevrier:** Yes; the capital cost was $9,033,000 and the operational and maintenance costs $3,284,000. This was in 1950. I was in error a moment ago; it was one year earlier.

**Mr. Green:** Was that estimate broken down into three areas, Pacific, Atlantic and the great lakes?

**Mr. Chevrier:** It was by the committee; the figures I have are general figures.

**Mr. Green:** Can the minister give us the figures of cost for the west coast?

**Mr. Chevrier:** As I say, I have not the figures; they were not given to me. I presume they were broken down for the committee, but I have never received any report as to a break-down. If they are available I will ask the present chairman of the maritime commission to give them to my hon. friend.

**Mr. Barnett:** In view of the fact that the minister has said that there is a possibility of some new inquiry being made into the situation with respect to coastal protection for British Columbia, I feel I should suggest to him that there should be included in it some analysis of the actual situation with respect to the existing lifeboat stations on the west coast of Vancouver island. Representations have been made to me which indicate that in point of fact, under conditions as they exist at the present time, the expenditure on these lifeboat stations is not one which is resulting in the best services that can be obtained for an expenditure of that kind of money. I am not attempting to make any dogmatic statement on this point, but it has been suggested to me that within the limitations that are imposed upon them by the type of equipment and so on that is provided, a good job is being done. But nevertheless many situations arise on the west coast of Vancouver island at the present time, owing to larger fishing boats going farther and farther to sea, that indicate that the set-up as we have it at the present time is not really the most effective one that we could have. I would suggest that if this matter is to be looked into that question should also be included in the terms of reference, or whatever one might call what is to be investigated.

**Mr. Chevrier:** I should think that if investigations were made—and I am not saying they will be—they should cover the whole field.

**Mr. Green:** I have one other question to raise on this item. It has to do with vocational training for merchant seamen. In the details which we find on page 527 is included an item of $3,000 for the training of merchant seamen. As the minister knows, a great many Canadian merchant seamen have been forced onto the beach in the last few months because of the transfer of Canadian ships to United Kingdom registry. The very least that this country could do would be to give these men every facility to train for another occupation. Some of them have been merchant seamen for quite a long time. Many of them served during the war, and have served for ten years or fifteen years. It is not very pleasant to be forced out of your occupation after that length of time and have to try to find new work.

I do not understand why the government is reducing this vote. Last year it was $9,000. This year it is only $3,000. We were told in the veterans affairs committee a few days ago that a recommendation had been submitted to the government for the setting up of an adequate vocational training plan for those merchant seamen. Apparently that had been considered by the Department of Transport, the Department of Labour and possibly the Department of Veterans Affairs. I am not sure whether that last department is involved but, in any event, from the departments of labour and transport there was a submission for the establishment of a proper vocational training scheme which would have helped those several hundred seamen who had been displaced because the government has allowed Canadian ships to be transferred to United Kingdom registry, with the result that the ships have to carry a United Kingdom crew. I wish the minister would explain why it was the government rejected that proposal, and I hope it is not yet too late for provision to be made to give those men adequate vocational training.

**Mr. Chevrier:** I must say that I am not aware of any scheme that was rejected by the government that provided for vocational training for merchant seamen. Certainly, none has come to my attention. Certainly, no representations have been made to my department. The only thing I have any knowledge of is vocational training under the federal-provincial agreements. By virtue of the agreement which the federal government, through the Department of Labour, makes with provincial governments, there is I understand some provision for training various groups of people for a calling. My understanding is that the attention of the Minister of Labour has been drawn to this matter and that he has taken it up with the provinces. He has been in communication with the provinces about it, but beyond that I can add nothing other than to say that no representations have been made to me as Minister of Transport.

**Mr. Green:** We had a pretty definite statement, I think it was from an official of the Department of Labour, and Captain Slocombe of the minister's department was there. I think he confirmed it, or he could have been the one who made the original statement; but in any event, it was made perfectly clear that plans had been made for setting up vocational training for those men who have

been displaced because the Canadian vessels are now being operated under the British flag. Frankly, I do not see why such a training scheme should not be set up. It does seem very unfair to these men just to force them on the beach.

The minister has suggested that they could get the regular vocational training. We cross-examined on that point also in the committee on veterans affairs. It was pointed out that to put these men under the ordinary vocational training would mean this: in the first place that some of the provinces have not agreed to that; some of them are not parties to the training scheme. One of the provinces, my own province of British Columbia, does not pay any allowances, apparently, while the men are taking vocational training. If they had the benefits of the scheme which was worked out between the provinces and the departments of transport, veterans affairs and labour in 1948 or 1949, the men would be eligible for allowances and they would have much wider benefits than they could get simply as ordinary unemployed men. Will the minister look into that situation to see whether or not some provision can be made to give these men opportunities for taking training?

**Mr. Chevrier:** Mr. Chairman, I may be mistaken but I have to repeat that I have no personal recollection of any scheme such as that which my hon. friend has in mind. I think what the hon. member is driving at is a scheme which the Department of Labour had in mind with reference to the training of these merchant seamen following the decision of the government to transfer certain ships to the United Kingdom, and I think that scheme was a purely provincial-federal one which is to be handled by the Minister of Labour. However, I will be glad to bring that to his attention because the part of the vote which deals with vocational training is not one which would cover a scheme such as my hon. friend has in mind, and I am quite sure he will readily realize that. In any event I will bring what he has said to the attention of the Minister of Labour to ascertain whether it is possible to give the assistance such as he has mentioned.

Item agreed to.

Pilotage service—

*455.* Administration, operation and maintenance, including authority for temporary recoverable advances not exceeding $20,000, $540,983.

**Mr. McIvor:** Mr. Chairman, I would like to give an example of real pilotage. A young couple from Fort William had their tickets for England and while going through the United States someone stole their grips, and their tickets were of course lost. I placed the matter before the minister and within ten minutes he assured them they would be on their way the next day, and they were on their way the next day to England. This may be out of order, Mr. Chairman, but it is a credit to the minister and shows he is efficient and has a heart.

Item agreed to.

*457.* Steamship inspection, including the carrying out of the provisions of the conventions for the safety of life at sea and load lines, and a contribution of $7,000 to the province of Nova Scotia, department of education, $646,853.

**Mr. Nowlan:** Mr. Chairman, I wonder if the minister would comment on this item, for I notice there is an increase of $67,000. I doubt if this can be attributable to the introduction of the five-day week, because these are largely technical personnel. Is this an increase in the staff of the minister's department, or is there some other explanation?

**Mr. Chevrier:** It represents exclusively the increase in salary which came into effect in December of last year.

**Mr. Nowlan:** Could the minister also give an explanation for the $7,000 grant to the Nova Scotia department of education? I have discussed this matter with the minister before and he is aware of my views. I realize the statute will have to be carried out but I think, Mr. Chairman, there has been perhaps a great deal of misunderstanding. Certainly there has been considerable complaint on the part of those engaged in coastwise shipping along the Atlantic coast as regards the incidence of this inspection service. The steamships engaged in coastal shipping feel they are placed at a great disadvantage by having to comply with the stringent regulations which are enforced by this department, particularly when competitors are not required to do so. I hope that the increase in staff is not brought about by increased inspection of small fishing boats around the coast, because although the minister has been most helpful in alleviating instances of too stringent application of these regulations I think they are causing a great deal of trouble and, I would say quite frankly, incurring unnecessary expense. I hope and believe that as long as the minister is here he will see that this administration is kept to a minimum, and I hope it will be restricted still further. The increase is not excessive but I think it could be dispensed with altogether.

**Mr. Chevrier:** We cannot—

**Mr. Nowlan:** What about the $7,000?

**Mr. Chevrier:** That is a contribution to Halifax for the marine school to assist in the training of engineers and improving the facilities and standards of instruction in the province's marine engineering school in order to prepare candidates for the Department of Transport examination in marine engineering.

**Mr. Green:** Mr. Chairman, this covers the steamship inspection service. About two months ago there was a deep sea tug called the *Chelan* lost on the west coast with 14 lives, and it appears that in the inquiry which was held it was found there had been some new steering gear installed in this vessel which had not been inspected by government inspectors. I took it from the report that the government inspectors complained that the ship's owner or master was responsible for not seeing that that inspection was carried out. Apparently the government inspectors had been shown plans of this new steering gear, but it was never inspected at sea and, as I said, the ship was lost with all hands. This sort of thing should not happen. I do not know whether there was any fault on the part of the government. There might have been. I would like to know what provisions are made for the inspection of a vessel under these conditions. These boats should not be allowed to go to sea when there have been changes made of that type without adequate inspection. It may be the regulations are not sufficient to cover a situation of that kind, but I would ask the minister to explain what happened in this particular case.

**Mr. Chevrier:** Mr. Chairman, of course I am not familiar with this particular case. Many casualties occur in Canada and it would be difficult to deal with them all, but I remember some publicity in the press in connection with the *Chelan* and I know generally what the steamship inspection regulations call for. There are steamship inspectors all across Canada. There are quite a number of them in Vancouver, some in Victoria, and some in Prince Rupert, and it is the responsibility of those inspectors to inspect vessels from time to time. I am informed that it is a yearly inspection, and I am told now that when the inspector comes around and finds something faulty he serves notice on the master and the master is required to take care of the faulty equipment.

I am informed that in the case of the *Chelan* the steering gear was known to be of a good type. With reference to the casualties I might say that casualties do take place on the coasts, on the St. Lawrence, and on the great lakes, not because of lack of inspection but because of weather conditions, and also because of faulty equipment of which we are not aware.

I think the steamship inspection department tries to advise and does advise its inspectors to make a regular inspection of these vessels. I might add that there are casualties not only at sea, but in the air and on the ground, which are not the fault of the Department of Transport officials. For instance, as regards the *Chelan*, I believe there was a terrific storm, and certainly under those conditions it becomes difficult for any vessel, no matter if properly equipped, to withstand the elements. It might have been because the captain did not know the storm was coming up; it might have been because the radio was not in operation; and it might well have been that in taking a chance he found himself in difficulties from which he could not extricate himself.

**Mr. Green:** Is there any obligation on the company to have new steering gear inspected before sending the vessel to sea? The minister has dealt with the annual inspection, but that is another matter. This disaster had nothing to do with the annual inspection. It presumably was caused by defective steering gear which had just been installed. One of the newspaper dispatches has this comment:

> James Moorcroft, a government steamship inspector, informed the deputy coroner, Dr. A. G. Grimson, that it was the duty of the company officials to inform his office when a ship was ready for sea after undergoing important repairs.
>
> He told the court that his department had not inspected the vessel between the time she had changes made to her steering apparatus and the time she went on her last and fatal cruise.

That is a report of the statement made by the minister's inspector. Mr. Moorcroft may be the chief inspector, although I am not sure. Another dispatch with regard to the same inquest states:

> New hydraulic steering gear installed in the Vancouver tug *Chelan* shortly before her last, fatal voyage had not been tested at sea by government steamship inspectors.
>
> This was revealed Friday in testimony at the inquest in Vancouver into the death of Frank Hykaway, one of the fourteen victims of the *Chelan* shipwreck in Alaskan waters April 15.
>
> Canadian government steamship inspector James Moorcroft said plans for installation of the new steering gear might have been submitted to his office without his knowledge.
>
> But, he said, after such a change in the vessel's equipment, a steamship inspector should have been taken along when the gear was tested.

It would look as though the owners had been extremely negligent in not having an inspection made. I am not blaming the government inspector because I do not think he was at fault. However, either the owners failed to comply with the regulations or there

is no regulation which compels them to have the vessel inspected in a case such as this. Can the minister tell us which of those situations actually exists?

**Mr. Chevrier:** If I may say so, I do not think it is either. I am informed that the company installed new hydraulic steering gear without advising the inspector and without advising the department. After the preliminary investigation which was made by our people, it did not appear that the steering gear could have been the cause of the casualty.

Item agreed to.

River St. Lawrence ship channel service—
*460.* Contract dredging, $2,500,000.

**Mr. Robinson (Bruce):** Mr. Chairman, I am sure the minister and the committee will not mind coming inland to the great lakes for a short period and to get away from salt water for a while. I notice that the total estimates of the department amount to $127 million approximately and that this item for contract dredging is $2,500,000. I am just wondering whether that money is all well spent. What makes me a little bit curious about the matter is this. At Kincardine on lake Huron we have a harbour at the mouth of a river. Each year, as a rule, that harbour has to be dredged. I would suggest that if the department had a better liaison with the public works department, they would eventually come to the conclusion that they would save money by building a proper harbour in a location like that, thereby getting away from this foolish spending of money which has been going on for a great number of years in connection with the harbour at Kincardine.

In connection with the Kincardine harbour I may say that in the public works department there are plans that have been there for a number of years for the building of a proper harbour but the department never got around to doing it. I leave that suggestion with the minister, namely that he talk the matter over with the Department of Public Works and see whether they could not save money by doing away with unnecessary dredging in Kincardine harbour every year.

**Mr. Michener:** The minister may recall that earlier in the year I raised the question of dredging in the eastern gap or eastern channel, as it is called, in Toronto harbour, and that he was good enough to put the machinery in motion to have that dredging done. The point was that the channel silts up in the winter. We in Toronto were looking forward to the resumption of the operation of the steamship *Cayuga,* which has been put into service again by Toronto people. It has a fourteen-foot draft and we wanted to be sure that in June, when service was resumed, it would pass readily through the channel.

I am not sure what happened but I want to take this opportunity to inquire. I understood that the minister at the time put the matter in motion but that there was some delay in connection with tenders. Actually we find that tenders were recalled again later and I believe the dredging has not yet been done. I should like to know just what happened and what the situation is. At the same time perhaps the minister would indicate—if this is the item under which provision is made for dredging in the Toronto area; and I am not sure that it is—what amount is estimated to be spent this year for dredging in Toronto harbour and who are the contractors.

**Mr. Chevrier:** Mr. Chairman, unfortunately I find myself unable to answer my hon. friend's question for this reason. The administration of the Toronto harbour is under the jurisdiction of the Toronto harbour commission. While it is true that they report to me for amendments to their statute from time to time they are, by their statute, authorized to administer all matters in connection with the harbour. However, from time to time they seek to have dredging work done, but that dredging is done by the Department of Public Works. Hence I am unfortunately not able to answer my hon. friend's question.

Item agreed to.

**The Chairman:** Would it be agreeable to the committee if I now called the supplementary items in connection with marine services?

**Some hon. Members:** Agreed.

**Mr. Chevrier:** May I go back for a moment to item 449?

**The Chairman:** Does the minister wish to revert to item 449?

**Mr. Chevrier:** Yes.

**The Chairman:** Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Chevrier:** The hon. member for Notre Dame de Grace asked why there were 32 boats and only 30 masters. I am now informed that there are two small vessels additional to the 32, one at Parry Sound and one at Port Arthur, where masters are necessary and where the employees are not designated as masters but have appropriate certificates to operate these two small units. That is the information that has been given to me.

**Mr. Hamilton:** That is, there are two small vessels additional to the 32 the minister listed previously?

**Some hon. Members:** No.

**Mr. Hamilton:** That is what the minister said.

**Mr. Chevrier:** So I am told.

**Mr. Hamilton:** So we have 30 regular vessels with masters and two small ones that do not require master's certificates. Is that right?

**Mr. Chevrier:** So I am told.

**Mr. Hamilton:** Thank you.

**Mr. Green:** On item 449, may I point out that in the particulars at page 521 will be found an item of $25,000 for the charter of aircraft for aerial ice survey. Can the minister tell us whether or not that work is done by private firms?

**Mr. Chevrier:** Yes. It is done by private contract which is awarded by the air transport board. It is the ice patrol work in the spring.

**Mr. Green:** That work is not done by the R.C.A.F?

**Mr. Chevrier:** No; it is not.

**Mr. Green:** Then immediately below the one I have just mentioned there is a further item of $120,000. It is a new item apparently. It is described as "Charter of vessels for northern transportation". What is meant by that? Does the government charter vessels in addition to having its own? What vessels are covered by that vote?

**Mr. Chevrier:** Yes. In connection with the trips of the *d'Iberville* and the *C. D. Howe* to northern Canada, particularly the *d'Iberville,* as my hon. friend knows the latter ship will take in this year the supplies for all our weather stations in the Queen Elizabeth islands with the exception of the most northerly one, Alert Bay, and we hope to take in the supplies for Alert Bay in 1955. In order to supply these stations it is necessary over and above the *d'Iberville* to have one dry cargo and one tanker vessel. The three ships form a sort of convoy. The two additional ships are chartered, and this is the amount of money required for their services.

**Mr. Green:** Is this the first year that has been done?

**Mr. Chevrier:** Yes.

Item agreed to.

Railway and steamship services—

462. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $56,240.



**Mr. Green:** This is the first item of the railway services. I should like to ask the minister a question with regard to the Pacific Great Eastern Railway. Last week the premier of British Columbia made a statement to the effect that he had presented to Ottawa a request for assistance in the extension of the Pacific Great Eastern Railway to the Peace river district from Prince George and from Squamish to North Vancouver. The newspaper report reads as follows:

> Premier Bennett feels confident the federal government will share the $60 million estimated cost of building the southern and northern extensions of the Pacific Great Eastern Railway. "I expect the federal government will pay 50 per cent of the cost", Bennett said in Victoria Tuesday when he announced that tenders for a railway bridge across the Capilano river in West Vancouver will be called next week.

Will the minister explain whether or not the premier of British Columbia is correct in his statement and what the policy of the government is with respect to assistance for these extensions? I would remind the minister that only a few years ago he brought in a bill which provided a subsidy for the extension of the Pacific Great Eastern Railway from Quesnel to Prince George. I have *Hansard* here for the second session of 1949 containing the minister's remarks at that time. As found at page 1448, he had this to say:

> The construction of this extension will provide traffic for the railway and assist in developing the natural resources in the area consisting of large tracts of timber suitable for lumber, newsprint, pulpwood and plywood, mining possibilities, sections of agricultural and grazing lands, hydroelectric power potentialities, and sport and recreational attractions.

He went on to justify the granting of the subsidy, which was set at $15,000 a mile. It was not as heavy as the subsidy for which the present premier is asking. The present Minister of Fisheries also spoke in that debate and he made some very sound remarks which are still applicable today. Here is what he said, as found on page 1450:

> I want to warn hon. members, however, that when this subsidy of $15,000 a mile for this construction is passed I do not think it will be the last time this house will be asked to help in the extension of the P.G.E.

Of course the Minister of Fisheries has now proved to be right about that.

> Premier Johnson's—

He was the coalition premier, and not a Social Credit premier.

> —avowed purpose in connection with that railway is to do what was originally intended; that is, push it through the Rocky mountains into the Peace river block, where there is great traffic in wheat and in the finest anthracite coal in Canada, and where there are also potential oil fields.

Of course that was before the Minister of Fisheries was in the cabinet. He also had this to say:

I want to just mention this briefly, because when we are passing this appropriation I think we should be fully aware of all the implications, since we are committing ourselves to a policy of subsidizing the extension of this provincial railway.

The last paragraph of his speech reads as follows:

This investment which we are now making in the P.G.E. has long been needed. I believe it will be well worth while. Premier Johnson is to be congratulated on being the provincial premier who, at last, is doing something positive about the P.G.E.

Of course Premier Bennett is now proposing to do far more about the P.G.E. than Premier Johnson ever did.

I think this federal government is to be congratulated also on helping him in this effort to expand the P.G.E.

What I want to know from the minister is whether or not he is going to help in this planned extension. He has dealt with the Pacific Great Eastern Railway twice in the house within the last few weeks. When we were discussing the extension of the C.N.R. into the Chibougamau area the Minister of Transport had this to say, as found at page 4599 of *Hansard* of May 11:

Some subsidy on such a line may well be justified as it was in the case of the northward extension of the Pacific Great Eastern in 1949 . . .

Again, on May 19 the minister made another statement. I will read from the English translation. I could not follow him when he was speaking but I checked the translation afterwards and I find that this is what he had to say:

The government's policy is to encourage lines which can operate at a profit. These two lines were provincial. The first of these two railways belongs to the British Columbia government and this government wished to extend its trackage. To this end they requested a subsidy, which was granted them.

Here we are with this question on our doorstep. The premier of British Columbia submitted a brief last fall outlining in detail the merits of the extension of this railway. I do not need to go into that any further. What I should like to know is whether the dominion government is prepared to subsidize these extensions. If not, why has it changed its policy since 1949 when it was so strongly in favour of subsidizing the extension of this same railway?

**Mr. Chevrier:** I do not want to disappoint my hon. friend, but I am sure he wants to be fair. We are now dealing with a particular item of the railway estimates, and he has introduced a subject which could certainly last for hours, because I see there are other hon. members who would like to discuss it. We had an opportunity when the Chibougamau railway extension—

**Mr. Green:** No.

**Mr. Chevrier:** Oh yes. There was an opportunity to discuss this matter and it was discussed then. Inasmuch as I do not want to be disrespectful to my hon. friend I will deal with the matter but I do hope that he and other hon. members who are interested in it will not take this opportunity to debate it at length because I do not think this is the place to do it. The hon. member refers to a statement made by the premier of British Columbia. I cannot comment on that statement except to say that the government has received an application from the premier of British Columbia for a subsidy on the P.G.E. from Squamish to Vancouver. In fact, the application is a pretty lengthy one and goes into the economics of the Pacific Great Eastern at some length. I think it is safe to say that legislation has already been passed in the British Columbia legislature providing for financial assistance towards the construction of certain railway lines.

I believe it is the intention of the British Columbia government to give consideration to two matters, first, the extension from Squamish to Vancouver, and second, the extension from Prince George to the Peace river block by way of Hudson Hope on to Hines Creek or Dawson Creek. I am not too sure which it is, but in any event it is in that general northeasterly direction, and the purpose is to provide a link with the Northern Alberta railway. The application which has come to the government deals specifically with the southern end of the line only, namely, the extension from Squamish to Vancouver. This application will have to be given careful consideration. Now, when my hon. friend asks what is the policy of the government, the stock answer is that it will be announced in due course. In this case it cannot be stated until consideration has been given to this application.

When the Canadian National Railways desire to build a line, we give it very careful consideration. First, the Canadian National gives it study, and then we consider it in order to satisfy ourselves that it is advisable. I do not know enough about the extension in question. All I know is that we did give a subsidy to extend the line from Quesnel to Prince George because we were convinced that was the right thing to do. Until a study has been made of this southern extension, and that is all I think that is before us at the moment, it would not be proper for me to

give any further indication. I presume that in due course the matter will be given careful study, and following that an announcement will be made.

**Mr. Green:** On that point, the railway was up in the air at both ends until the connection was made from Quesnel to Prince George, where it connected with the Canadian National line. At the southern end there is this gap between Squamish and North Vancouver. The government admitted the justice of asking for a subsidy for the northern extension. Now, what justification could there be for refusing to give a subsidy to finish the line at the other end?

**The Chairman:** I am afraid it was my own unfamiliarity with the subject matter of item 462 that caused me to allow the hon. member for Vancouver-Quadra to proceed as far with his remarks as he did. Having done so, I felt that I should allow the minister to reply. I feel I should point out now that this item has to do with the operation and maintenance of official railway cars. I do not see how, in the light of that, I could justify a discussion on the Pacific Great Eastern Railway.

**Mr. Low:** Since the question has been asked about policy, I assure the minister it is not my intention at this stage or perhaps any other stage at this session to debate the question of the extension of the railway into the northern Alberta area, but I would appreciate it if the minister could say whether his department has formulated any policy with respect to the assistance of such railways, other than the procedures that have been laid down in such extensions as the one from Quesnel to Prince George. If he could just clarify that matter at the moment, It would be a great help.

**Mr. Chevrier:** All I can say, Mr. Chairman, is that it has been our general policy, when dealing with Canadian National extensions, to look at the profitability or non-profitability of the line. Unless the Canadian National Railways were able to convince us and we were able to convince ourselves that it was a profitable thing to construct the line, then we would not do it. In a number of cases, at least four if not five since I have been in the department, we have been convinced of the economics of such lines. We have brought bills before the house to build such lines.

There have been exceptions to that policy, and it was an exception when we granted the subsidy to the Pacific Great Eastern to build from Quesnel to Prince George. I believe that was an exception that was well justified because it was a provincial railway that began nowhere and ended nowhere, and I say that respectfully. We felt it should end at least on the main line of the Canadian National Railways at Prince George, so I feel that extension was a reasonable action. Now, whether or not it will be a reasonable thing to extend it southward or even northward into the Peace river district is a matter that requires study. I am sure the house would not want me to prejudge the application that has been made by the government of British Columbia at this stage, when no study has been given. I believe we will study it carefully, and I am sure as sympathetically as we have studied the other, because I know that that whole Pacific area requires an outlet. Whether the outlet should be as suggested in the application or in some other form, I am not able to say, but there should unquestionably be an outlet. I think perhaps it should be envisaged with that in view.

**Mr. Low:** I thank the minister.

**Mr. Nicholson:** My remarks perhaps should have been made on a previous item, but I will be in order by confining my remarks to this item. Representations have been made to me protesting against the proposal to make liquor available on railway trains. I understand that the Canadian National and Canadian Pacific have made representations with that in view, and I am sure the minister will be concerned that this should not be made available in the official cars. It has been represented to me that we really do not require any increase in the number or variety of outlets for liquor, and also if liquor is offered for sale on the trains which are common carriers it will present a problem to the minors of the country. There is a question as to whether municipalities through which these trains will be operating should not be permitted to vote on the question before any permission is given. I wonder if the minister could indicate what the cabinet policy is on this question?

**Mr. Chevrier:** I quite realize why my hon. friend would be interested in this particular problem. While I have an opinion on the problem, and I am sure each member of the cabinet has, it is one which does not concern us. The sale of liquor is governed by the laws of the province. As my hon. friend knows, there are some provinces that prohibit the sale of liquor, whereas there are others which do not, so I am informed, certainly in the manner which my hon. friend has in mind. In any event, I could not speak with any degree of authority for the Canadian Pacific Railway. They determine their own policy as to whether or not they will

sell liquor on their trains, in accordance with the laws of the province through which the train proceeds. The same applies to the Canadian National Railways, save and except this, that I can bring to the attention of the management any representations that have been made in the house. Of course, I shall be glad to do that, but that again is a policy that is determined by the directors of the Canadian National.

**Mr. Murphy (Lambton West):** I do not know upon what item I can discuss the sale of Canadian National property, for instance, to private individuals.

**Mr. Chevrier:** There are a number of items dealing with Canadian National Railways farther on. Perhaps, if my hon. friend allows me, I could find one and indicate it to him.

**Mr. Murphy (Lambton West):** I have been looking through the estimates, but I do not see any item that would entitle me to discuss the sale of C.N.R. property.

**Mr. Chevrier:** There is no particular item dealing with the sale of property by the Canadian National Railways, because that is done by the railway itself. It might have been brought up under the discussion of Canadian National matters—perhaps the last of the railway items. Then there is an item dealing with Canadian National steamships subsidy, and if the house has no objection the hon. member could deal with it then. I do not want to interfere with my hon. friend.

**Mr. Murphy (Lambton West):** It is only about two sentences.

**Mr. Chevrier:** Well, go ahead.

**Mr. Murphy (Lambton West):** What I had reference to was the sale of two properties in Point Edward, which is adjoining Sarnia, on the St. Lawrence seaway project. I mention this because quite evidently something is wrong somewhere. I have a return here described as sessional paper 202 under date of May 4, 1953, which indicates that one property was sold for one dollar, and other considerations, and the name of the purchaser is mentioned in the return. The reason I mention that is that the property, I understand, was resold the other day for $50,000. What the other consideration was—I have an idea what it was, and no doubt the minister has an idea, too—

**Mr. Chevrier:** No, I have not the slightest idea what it was.

**Mr. Murphy (Lambton West):** I think the house should know more about it—

**Mr. Chevrier:** Now just a minute—

[Mr. Chevrier.]

**Mr. Murphy (Lambton West):** —because that is ridiculous.

**Mr. Chevrier:** I mentioned to my hon. friend that this was not the place to discuss real estate concerning the Canadian National Railways. I thought he was going to ask a simple question. I am not familiar with any sale of land; that is a matter which the Canadian National Railways deal with under their own authority. But if my hon. friend wants me to take it up with them, I will be pleased to. However, I have no knowledge of it, and I cannot speak about it with any degree of authority. So if this matter is of some significance, I wish the hon. member would not bring it up now. If he would give me the return, I will do what I can.

**Mr. Murphy (Lambton West):** That is all right. I do not expect any minister in a department to be familiar with everything that takes place under his jurisdiction. When the minister is inquiring about that, I wonder if he would inquire about a sale for $10,500 mentioned in that same return. I will not mention the name of the person involved. I understand he was asking $60,000 for it.

**Mr. Chevrier:** I shall be glad to.

Item agreed to.

Hudson Bay railway—

*463.* To provide for the difference between the expenditures for operation and maintenance, and revenue accruing from operation during the year ending March 31, 1955, not exceeding $425,000.

**Mr. Diefenbaker:** This has to do with the deficit of the Canadian National Railways, payment for which is asked by parliament. I would direct the attention of the committee to the subject of the Hudson Bay railway, with particular reference to some suggestions that might be effected which would result in a greater income for that railway, which has been a matter of interest to me for many years. I visited the railway as far back as 1926, at Port Nelson, and then later, in 1931, I made the first trip to Fort Churchill.

I intend to speak particularly about storage capacity for wheat at Fort Churchill, and to express the appreciation which all of us in western Canada who are interested in this route—and that applies to everyone—feel for the fact that the storage capacity will be doubled during the current year to a point where it will accommodate 5 million bushels.

During the past year there has been a greater use of the Hudson bay route than ever before, the export of wheat from that point reaching 10,800,000 bushels. With the new facilities in prospect I believe it will

not be long before the export of wheat from Fort Churchill will amount to 20 million or 25 million bushels.

In the last season 31 ships called at the port, almost all with empty holds in their trip from east to west. The total amount of imports, in actual tonnage, stood at 2,790 tons, which is less than one shipload. I feel everything possible should be done to encourage east-west traffic over the Hudson bay route. This should be done through advertising to a greater extent than ever before—through Canada House in London and other government facilities in various parts of Europe. An effort should be made in this way to point out the savings that can be effected by shipping through Hudson bay, so that to the greatest possible extent the Hudson Bay railway may be used, as it should be used.

For years there were many who contended that to use that route would be a dangerous expedient. The Hudson's Bay Company used it for over 260 years, and suffered little loss from the dangers that have been conjured up in recent years.

By way of personal reference, my own great-grandparents came through Churchill in 1812 with those groups of settlers who came to the Red river at that time. They found none of those difficulties of navigation that have been referred to in such fearsome terms within the last 25 or 30 years, when we in the western provinces have demanded the extension of the use of the facilities there.

It has been established in recent years that navigation is now comparatively safe —and when I say "comparatively safe" I mean when compared with navigation into the other great ports of our country. True, the port has a short season; but even in the face of that short season during the year 1953 the port was idle only 11 days when it could have been operated to the full.

I feel that while congratulations are due to those responsible for securing added use of these facilities in the last year, further efforts should be made. Referring to a railroad in British Columbia a moment ago, the minister said that it ended nowhere.

**Mr. Chevrier:** It used to; but no longer.

**Mr. Diefenbaker:** I appreciate that; the situation was remedied. When he replies, I would ask the minister to say whether or not an application has been made by American interests not only to build a railway from the international boundary to Fairbanks, Alaska, but also to connect such a defence railway with Fort Churchill and Prince Rupert. The press states that this defence railway is backed by the United States government, and would be intended for military purposes. By linking up with Fort Churchill, feeders would be available to the projected railroad, which those who are alleged to have applied for the right to construct have in mind.

What is needed today, as I see it, is a greater use of the Hudson bay route. That greater use is impossible today, or its possibilities are greatly diminished, because there are railroads in Saskatchewan and through northern Saskatchewan that, while ultimately intended to join with the port of Churchill and the Hudson Bay railway, have not been built. There is a line northeast of Melfort in Saskatchewan. There are also those breaks in the Canadian National Railways in northeastern Saskatchewan and the Beaver river area where the railroad comes to an end. It is the end of the line, and thirty miles distant it starts again. These laps or breaks should be constructed to enable a greater use to be made of the facilities at Churchill and the Hudson Bay railway.

I suggest to the minister that he place before the committee information regarding the courses being taken by the government or by governmental agencies to encourage the use of this railway and thereby reduce the deficit. There is no reason at all why the traffic from the tremendous mining development that is taking place in northern Saskatchewan, as an example, should be excluded from Churchill and the Hudson Bay railway.

In the matter of base metals and uranium, the developments taking place in northern Saskatchewan and Manitoba are such that the mineral possibilities stagger the imagination. According to those qualified to speak, the uranium developments in northern Saskatchewan are such that within a matter of a few years Canada's uranium production will be greater than that of any other place in the world, including the Belgian Congo. Yet, these developments in northern Saskatchewan have no railway facilities available to them.

I ask the minister this question: What consideration has been given to the application made by United States interests? According to press reports, those interests were prepared to spend $446 million on building such a railway line to join up with the Hudson Bay line, thereby adding to the revenues of the Hudson Bay line and indirectly to the revenues of Canada. Second, what are the prospects of reducing the high haul insurance rates that today prevail on the Churchill route? Generally speaking, insurance rates have been reduced, but the haul insurance rates are still exorbitant, and in my opinion unjustifiable. That is the view of an organization which has done much to interest the

people of Canada in this project. I refer of course to the Hudson Bay Route Association.

Third, in view of the fact that the wheat that goes over the Hudson Bay railway and into Churchill and thence to the markets of the world is exclusively restricted to that produced on Canadian National lines, I desire to ask this question. Has the Canadian Pacific Railway at any time endeavoured to secure running rights over the Hudson Bay railway so that wheat from those lines might be available to that port? Fourth, has consideration been given among the various departments of government to the wheat board lowering the 1½ cents per bushel diversion charge on wheat shipped through Churchill to the end that by reduction of that charge there will be further encouragement of the use of this railroad? Fifth, and this is a suggestion which I think deserves serious consideration—it was made by Mr. W. G. Coventry, the United Kingdom trade commissioner in Winnipeg. He suggested that imports from the United Kingdom to western Canada might be considerably increased if facilities such as Queen's warehouses could be established in the northeastern areas of Manitoba or in Saskatchewan. All of us in the western provinces appreciate the greater use that has been made of the Hudson bay route since my hon. friend has been Minister of Transport.

As I remember it, the first wheat that was shipped over that route was in 1931. By 1935, under the Bennett government, shipments had increased to some 5 million bushels. Then for years those facilities, which are extensive, were almost ignored. Today, however, with the advantages of cheaper marketing that are available, more and more the route is being used. I feel that with an advertising program and with some of the changes made to which I made reference, which by no means are complete, further use could be made of this railroad—and further use should be made of it than has at any time been made previously.

In making these representations to the minister I do not want to go into further detail. Indeed, there are many things that I could say on the subject that might possibly be of some interest, but I do not want to speak at length at this time in the session. I do, however, ask the minister to give the committee, and through the committee western Canada, the assurance that, extensive as has been the use of these facilities during the past couple of years, with the increase of storage facilities at Churchill that are projected for this summer, at the earliest possible date, and I trust within a year or a year and a half, at least 20 million bushels of wheat will be shipped from this port, which will not only accrue to the advantage of the people of Canada but will reduce or remove the deficits altogether and also increase the return that the western farmers will receive from the wheat shipped through that port.

**Mr. Nicholson:** Before the minister replies I should like to congratulate the hon. member for Prince Albert on the interesting and excellent speech he has delivered. Will the minister indicate whether or not a contract for the extension that is to take place in Churchill has been let? Can he give the committee some information as to the number of ships that might be expected in Churchill this summer? Has he information as to the number of cargoes that may be assured at this date?

**Mr. Chevrier:** I thank the hon. members for Prince Albert and Mackenzie for their interest in the Hudson Bay railway, and particularly the hon. member for Prince Albert, who is appreciative of what has been done with reference to the extension of the elevator at Churchill so as to provide for the greater movement of wheat out of that port.

There are a number of matters the hon. members raised some of which fall under this heading and others do not, but I will try to deal with them at this time. One inquiry was about an application which was reported in the press as having been made by some United States interests for the building of a railway from the United States border to Fairbanks, Alaska, and then perhaps join up with the other railways in northern Alberta and northern Saskatchewan. I can tell him immediately that I have no knowledge of any such application. I could not say, however, that I have no knowledge of the latter ever having come up before. This is not the first time it has been suggested that a railway be built from the United States border to Alaska, but I am not aware of any application, and certainly no application has ever been made to the Department of Transport, and I doubt very much if one has ever been made to the government.

**Mr. Diefenbaker:** May I say to the minister that Mr. Appleby made a speech to the Hudson Bay association in Moose Jaw in March and I have sent him over the clipping in question which contains every detail to which I made reference.

**Mr. Chevrier:** Continuing with my answer, if there was any foundation to this then the project might be carried out in a number of ways. It might be done by way of an extension to the P.G.E. so long as it remained within the province of British Columbia. The application then would not be made here but to the legislature of the province of

British Columbia. If the extension or the line itself went into more than one province the application, of course, would have to come here.

I am not saying I have never heard of it. I have heard of it repeatedly from many sources. But the inquiries I have made lead me to believe that this is not a serious matter. By that I mean there is no substantial foundation to the statement that such a railway will be built. Certainly no application has been made and until one has been made there is no question of giving it consideration.

Now, with reference to the insurance rates, as my hon. friend knows we do not determine these in the Department of Transport. They are, I understand, determined by a committee in the United Kingdom since the ships come from there, and we have repeatedly made representations to that committee in the United Kingdom recommending a decrease in such rates. We have been informed that if we could assist by further aids to navigation consideration would then be given to this. Now, we have done a great deal with reference to improving aids to navigation in Hudson bay, Hudson strait, James bay, at Churchill and all along the route of the eastern coast of northern Canada. We have installed a responder type of radio beacon at one end of Charles island, one at the entrance to Churchill harbour, and also a radar screen reflector. The R.C.A.F. maintains an air-ice reconnaissance patrol in the area which is of great assistance to ships navigating in the bay and strait and, as my hon. friend knows, our own ships such as the *C. D. Howe,* the *N. B. McLean* in the past, and now the *d'Iberville* assist ships from other countries into the straits when the season of navigation opens. We will continue to provide as many navigational facilities as possible and continue to make representations to the British committee in regard to a further reduction in the haul insurance rates.

I am not aware that the Canadian Pacific Railway has endeavoured to secure running rights on the Hudson Bay railway. The diversion charge and its reduction, to which my hon. friend referred, is not a matter which falls within the jurisdiction of this department. It is one that comes under the Minister of Trade and Commerce.

In answer to the hon. member for Mackenzie, a recommendation for the award of the contract for the extension of the elevator at Churchill to the Carter Construction Company, which was the lowest bidder, has been made. A report to council has gone forward recommending the acceptance of that bid.

It is expected that the flow of traffic in Churchill will be as good as last year and I hope better. Last year there were some 31 ships and we hope there will be as many if not more this year. They provided for the movement of 20 million bushels of wheat—

**Mr. Nicholson:** I think it was 10·8 million.

**Mr. Chevrier:** I thank my hon. friend for the correction. They provided for the movement of 10 million bushels of wheat, but with the extension it will be possible to handle 20 million bushels. I had intended to add that I see from a statement before me that there is a gradual increase in the traffic over the Hudson Bay railway. The Canadian National Railways tried to divert and direct traffic to the line and I think the position was certainly far better in the last fiscal year than ever before, and I hope it will continue growing.

**Mr. Winch:** Not away from Vancouver, I hope.

**Mr. Chevrier:** We aim to provide greater facilities at the port of Churchill and the national harbours board seeks to see to it that there are sufficient facilities to look after the traffic there.

**Mr. Brooks:** May I ask the minister what effect, if any, the development of the St. Lawrence seaway will have on the shipment of grain through port Churchill? I remember when I was up there two years ago the elevator they had there then had not been used and was empty. Now we are building another one.

**Mr. Chevrier:** All I can say is that the economic studies which were made indicated it would have no adverse effect on Churchill.

**Mr. Quelch:** When we were discussing the first item the minister stated he would be in a position to make a statement regarding the cost of hauling grain through the Crowsnest pass. Can the minister now make that statement?

**Mr. Chevrier:** I hoped to be able to make that statement but I am afraid I will have to ask the hon. member to accept my explanation at this time. I have here a long statement which has been prepared for me, a small portion of which deals with the compensatory part of the movement of grain through Crowsnest pass. Since the time this statement was prepared I have asked those who prepared it to look at it once again. This statement was prepared some time ago and they have now indicated to me that it would be unwise for me to place it on the record. I hope my hon. friend will accept my explanation. I would rather not put it on

the record because it should receive further study. I can reiterate what I said earlier, that there is no question of amending the Crowsnest rates at this time. I hope my hon. friend will accept that statement.

**Mr. Diefenbaker:** I should like to ask the minister what his reaction is to my suggestion that there be established Queen's warehouses similar to those that have been established in ports in other parts of the world to the end that thereby imports from the United Kingdom might be encouraged. One of our great difficulties is that of these 30 ships to which reference has been made and which came into the port of Churchill during the past season, practically all had empty holds.

During the course of my earlier remarks I asked the minister what was being done to advertise the advantages of this route to the end that on the east-west course of trade a larger percentage of trade would be the result. A moment ago I placed before him —and I know it was through inadvertence that he did not answer—the suggestion made by a highly experienced man, namely the United Kingdom trade commissioner. I should like to know what his reaction is to that suggestion and also to the suggestion that Canada House might be used to a greater extent as a means of promoting interest in this route among British shippers.

My friend the hon. member for Royal asked what the situation would be when the St. Lawrence waterway was established. I made some investigation in that regard, and the best information I could secure on the subject from those in a position to advise was that, even after the construction of the St. Lawrence waterway, as far as the farmers in Alberta and Saskatchewan are concerned the cost of the shipment of wheat by way of port Churchill would be at least 9½ cents less than by way of Port Arthur and through the new St. Lawrence waterway. Hence, no matter what is done in connection with the latter waterway, the Hudson bay route will always remain of advantage to the farm producer in Manitoba and Saskatchewan, provided that something is done to encourage the use of that route by importers into western Canada.

**Mr. Chevrier:** Mr. Chairman, I regret that I did not deal with the suggestion made by my hon. friend with regard to foreign trade zones. In effect that is what he was suggesting by Queen's warehouses. I understand that they are the same thing. We gave the matter careful consideration at one time There are advantages and disadvantages to the establishment of zones of that character in the ports of Canada. At one time there was a strong agitation for such a zone in the port of Quebec, and from the port of Quebec it extended to the port of Halifax. However, we soon discovered that there was as violent opposition to it as there was sentiment in favour of it. We therefore decided to establish an interdepartmental committee—this would be back in 1948, I am told—and they spent some months in considering the problem. They went to Halifax, Saint John, Quebec and Montreal—I doubt if their study included Vancouver—and they gave the matter careful study. Those who were members of that committee were all persons with a great deal of experience in the shipping business.

Of course, I do not remember all of the details of the report, nor am I able to say that the report recommended against foreign trade zones. It was an extremely comprehensive report that set out the advantages and disadvantages. After having carefully studied it, the government did not decide to put these foreign trade zones into effect at any of the ports.

I do not know whether, with respect to a foreign trade zone, the port of Churchill could be considered in any different light from the others. It might be that the circumstances there are such that they could be considered in a different light. I do not know. That is all I would care to say at this time because my memory of the matter is rather vague. However, it is a question that is certainly worthy of consideration. Whether we could act on it or whether it would be advantageous to do so is another matter. However, I will ask our people to see whether they could not give it some study.

With reference to the advertising of that route, may I say that the national harbours board do not advertise one particular section of its system rather than another, nor does the Canadian National Railways. It is true that the railway does advertise summer resorts and so forth in a general way. The national harbours board has a pamphlet entitled "Ship via Canadian Ports", in which is an excellent description of the port of Churchill. It has just now been handed to me by the chairman of the national harbours board. He informs me that it goes to all the shipping agencies in the world. I think that is perhaps one of the proper methods by which to advertise the port. Perhaps I could send it over to my hon. friend.

**Mr. Nicholson:** In this connection I might mention that the provinces of Manitoba and Saskatchewan have published an extremely interesting report on the Hudson bay route

and Churchill. I understand that this volume has been sent to the offices of the trade commissioners in the different ports of the world. I think that what the minister says is quite right, namely that the department cannot very well play up Churchill without meeting criticism from members from Vancouver, Halifax and other ports. However, I think there is no objection to the provinces of Manitoba and Saskatchewan telling of the wonders that this new port offers to exporters in different parts of the world. If any hon. members are interested in this booklet, I may say I have a number of copies upstairs that I should be glad to supply to them.

Item agreed to.

*466.* Strait of Canso—Transportation improvements and facilities, $9,670,000.

**Mr. Nowlan:** I think it should be said that those in the east are extremely happy indeed with the progress which is being made with the construction of the Canso causeway. I am wondering whether the minister is now in a position to state somewhat definitely when it is expected that the causeway can be opened. I should also like to ask him whether there is any truth in the newspaper story that, when the causeway is opened, it is proposed that the procession be led by the hon. member for Cape Breton South and the minister, both wearing kilts. If that information could be definitely pinpointed and ascertained, I can assure him that this spectacle would be the greatest tourist attraction that has ever been known in the province of Nova Scotia. We should like to have ample warning in order to make provision for the necessary advertising. I would also suggest that possibly that duo should be made a trio and that instead of having two with kilts, there might be included an Irishman with a green plaid in the centre in order to give it balance.

**Mr. Chevrier:** With reference to the last part of my hon. friend's suggestion, let me tell him this. Nothing would please me more than to lead the pipers across the strait in kilts. I would be perfectly at home in a kilt because I am an officer in the Stormont, Dundas and Glengarry Highlanders and they wear kilts. I have worn a kilt on many occasions. Hence if I receive an invitation, I will certainly join with my friend the hon. member for Cape Breton South and any other hon. members who are there. Coming as I do from Stormont and Glengarry, I think I can march to the tune of the bagpipes as smartly as can many of the members here. Progress has been excellent on the Canso project. We are delighted with the contractor and with our consulting engineer. We are delighted with the manner in which the work has proceeded. From the information now at hand it will be January 1, 1955 or thereabouts—

**Mr. Nowlan:** Awfully cold for kilts.

**Mr. Chevrier:** I agree with my hon. friend. He interrupted me. I was not going to say that it would be opened on January 1, 1955. All I was going to say was that it is expected that the progress of the work will be such that by that time we will be able to state when it will actually be opened. It will be early in 1955.

**Mr. Robichaud:** Would the minister tell us whether facilities will be provided for the passage of cargo ships through the causeway? Is there sufficient depth of water?

**Mr. Chevrier:** Yes, provision is being made for the construction of a lock for the movement of ships.

**Mr. Robichaud:** I appreciate the fact that this will facilitate the passage of cargo ships carrying mineral ores from the new mines in the Bathurst area. In view of the importance of these mines which, according to reports now available, will produce over one million tons of mineral ore, and also in view of the fact that on the north shore of New Brunswick we have facilities for shipping twelve months of the year, I wish to mention at this time, in agreement with the suggestion made by the hon. member for Royal, that it is very important that at the earliest possible date consideration be given to having surveys made for the Chignecto canal. If the Chignecto canal were constructed it would cut the distance involved in the transportation of these minerals by at least 400 or 500 miles.

**Mr. Johnston (Bow River):** I wish to ask a question about item 465. You were going so fast, Mr. Chairman, that you did not notice me on my feet. The same question has to do with items 470 and 471, and concerns the construction or acquisition of car ferries and terminals. I notice that we are spending a good deal of money. Under item 465 the amount is $1,558,000, under item 470 it is $6,950,000 and under item 471, $900,000. I should like to ask the minister whether in the construction of these ferries that are to operate between the mainland and islands provision is being made for the accommodation of railway cars as well as automobiles.

**Mr. Chevrier:** There is in the one under discussion. The answer to that is yes.

**Mr. Johnston (Bow River):** Pardon?

**Mr. Chevrier:** With respect to the railway car ferry involved in item 465 provision is made for the transportation of railway cars.

**Mr. Johnston (Bow River):** I am informed that in some instances where ferries are being constructed provision is being made for railway cars but the construction is so designed that truck trailers are not able to make use of these ferries. One instance of that was drawn to my attention. If that is so, I think it is a very bad policy. Now that it has been drawn to the minister's attention I would ask him to see to it that when ferries are being constructed to service these particular areas accommodation is provided not only for railway cars but also for trailer trucks. I would think that would be a very important means of transportation for the people in these areas.

**Mr. Chevrier:** My hon. friend is right in his assumption that it is important to provide for the movement of trucks, but he is absolutely wrong in his assumption that provision is not being made. On the contrary, provision has been made in this car ferry for the movement of trucks. Another car ferry is being built by the government for service between Wood Islands and Caribou, and it is exclusively for the movement of goods on trucks. Provision is made for trucks on the Port aux Basques-North Sydney ferry and the Yarmouth-Bar Harbor ferry. These are not car ferries at all but provision is made for trucks. A substantial number of trucks can be carried on these vessels.

**Mr. Johnston (Bow River):** I am very glad to hear the minister say that. I should like to tell him that I had information that in one instance no provision had been made and it was necessary to reconvert the vessel afterwards. Provision had been made for railway cars but the ferry was so constructed that trailer trucks could not make use of it. In that particular case it was reconstructed. I am very pleased to hear the minister say that from now on that is not going to be the case and that special recognition is given to trailer trucks on these ferries. I am sure the trade will also be pleased to hear that.

**Mr. Kirk (Antigonish-Guysborough):** Item 466 has to do with the causeway across the strait of Canso and the amount of the vote is $9,670,000. One end of the causeway will be in my constituency. I want to ask a question or two. When the causeway was first mooted no doubt the department had an assurance of the probable cost. Since then tenders were called for and contracts were let for the rock fill and the lock. I should like to ask the minister how the estimates compare with the contracts that have been let for the work that is being done.

While the minister and his officials are getting those figures, perhaps he might listen to my other question. What is going to be done with the scores of employees, married men who own their homes in the towns of Mulgrave, Point Tupper and Port Hawkesbury, who are employed at the present time on the ferries running between Mulgrave and Point Tupper which carry the trains across from the mainland to the island of Cape Breton? The moment the first train crosses the causeway these men will be out of a job on the ferry boats running between the points I have mentioned. There are some men employed on the railway in the running trades as conductors, brakemen, engineers, firemen and so on who will probably be well taken care of even if they have to deadbeat it back and forth from Sydney to Stellarton, Truro and other places, but the men who are employed on the ferry boats will be out of work the day the first train crosses the causeway.

It is not hard for any of us to imagine their worry now as to what is going to become of them when the causeway is completed and the first train crosses it. This is not the case of an act of God. It is not the case of a mine petering out. This is an act of man. It is an act of parliament, if you want to put it that way. I think some consideration should be given to these men, and probably it already has. However, I should like to know something, and they would also, about what is in store for them when the causeway is completed. They will be out of a job overnight. Where do they go from there? Those are the two questions I want to ask the minister.

Frankly, the third question I should have put earlier, and that is I understand the expenditure on this job was divided between the dominion government, the Nova Scotia government and perhaps the Canadian National Railways. Could the minister inform me as to that division?

**Mr. Chevrier:** Dealing with the first question, the matter of the rock fill on the causeway itself from the mainland to Balache Point, the estimates of the department were higher than the amount of the contract itself. I have not with me the exact amount, but I put it on *Hansard* when I introduced my estimates earlier.

Now with reference to the second question, that is a very difficult question that my hon. friend raises and one which I am sure will be of particular interest to him and

his constituents. It is not an easy one for me to answer because it is not one that entirely concerns the Department of Transport although it interests our department. My hon. friend will perhaps recall that when the first work on the causeway was begun I, together with the late premier of Nova Scotia, saw a committee from the port of Mulgrave, Port Tupper, and I believe Port Hawkesbury.

**Mr. Kirk (Antigonish-Guysborough):** I was with you at the time.

**Mr. Chevrier:** I was going on to say that they were introduced by the hon. member for Antigonish-Guysborough. At that time it was thought that the whole matter should be given careful study by reference to some committee. It was thought that Nova Scotia might give consideration to the establishment of some industry in that area, and that we might communicate with Canadian National Railways and other interests to ascertain how many employees could be cared for when the causeway work was completed.

Now it is certain that the Canadian National Railways, after the discontinuance of the ferry between Port Tupper and Mulgrave, will be able to take care of a number of men; that has been ascertained. I think I have communicated that by letter to the late premier of Nova Scotia and perhaps to the hon. member for Antigonish-Guysborough; I am not sure. Then, there are a number of men whom we in the Department of Transport will be able to place on the locks. I am afraid, however, we will not be able to take on all of those who will be let out, but I can assure my hon. friend that those who are interested in the problem, the Canadian National Railways, the Department of Transport and any other government department, will give careful consideration to the finding of employment for those whose employment will disappear.

Now, the last question, the division of the cost of the railway diversion, the locks and the causeway, I shall have to get that information and put it on the record.

Item agreed to.

470. Construction or acquisition of auto-ferry vessels, as detailed in the estimates, $6,950,000.

**Mr. MacLean:** This item covers the construction of an auto-ferry vessel for service between Wood Islands, Prince Edward Island, and Caribou, Nova Scotia. Can the minister give the committee some information as to when it is expected this ferry will be completed and ready for service, what its capacity will be, and if any arrangements have yet been made as to who will operate it?

**Mr. Chevrier:** The decision to build this ferry, as my hon. friend knows, was due to a substantial increase in the traffic between Caribou and Wood Islands. It was decided that the vessel should be allocated, and I am informed that it was given to the Pictou shipyard. It will be ready for service about the last half of 1955. The second question my hon. friend has raised, namely, who will operate it, is still not decided. The matter is under consideration by the maritime commission, and I hope the maritime commission will have a recommendation to make to the minister in the not too distant future, which will be considered by the government.

**Mr. Nowlan:** This same item covers the construction of a ferry to operate between Yarmouth and Bar Harbor. I notice that the details on page 536 show that $1 million has been spent on the construction during the fiscal year 1953-54, and it is estimated that $4,100,000 will be spent during this fiscal year. I wonder whether the minister can give us a breakdown of that $1 million. It will be noticed that in the details it is shown so much has been actually expended up to December 31, and then the balance is estimated for the remaining three months of this fiscal year, but that breakdown includes the total vote for all three ferries. One does not get a picture of this $1 million, as to how much was actually spent up to December 31 and how much was estimated would be spent from December 31 to March 31.

The reason for asking this question, I think the minister should know and if not I can tell him quite frankly, is that there have been many disturbing rumours as to the exact course of construction of that ferry. In May of last year we had a provincial election during which we saw pictures of this boat sailing serenely around a full page advertisement. She was travelling at full speed, and had a bone in her teeth and was apparently making fifteen knots in quite rough water. Only $1 million was spent last year, and many people in the province would like to know where this matter stands, whether the ship will be finished this year or what time next year. I know if the minister makes a statement on it, people will accept it. I would appreciate it if he would give me a breakdown of that $1 million and also tell us when, in his opinion, she will be completed and in operation.

**Mr. Chevrier:** I thank the hon. member for the confidence he has in any statement I would make; I certainly appreciate that. The item is for the construction or acquisition of auto-ferry vessels, as detailed in the estimates. There is a provision for $4,100,000

for the construction of an auto-ferry vessel to operate between Yarmouth, Nova Scotia and Bar Harbor, Maine, the total amount estimated being a little over $5 million. The contract for the construction of this ship has been awarded to the Davie Shipbuilding company, and it is hoped it will be ready for operation by October of this year.

The province of Nova Scotia has agreed to contribute 50 per cent of the cost but not to exceed a maximum of $1,500,000, so it looks as if Nova Scotia had acted rather carefully in its commitment. This estimate provides for the expenditure of $4,100,000.

**Mr. Nowlan:** How much of the $1 million was actually spent?

**Mr. Chevrier:** The auditor with me now tells me he has not the amount, because the figures for the audit of 1953-54 are not ready. But perhaps I can get something more definite for my hon. friend and give it to him later. I do not have the details with me now.

**Mr. Nowlan:** The total figure was given, and I thought the minister would have the breakdown.

**Mr. Chevrier:** I am afraid I shall have to get that information for the hon. member, if I may.

**Mr. MacLean:** With reference to the Wood Islands-Caribou ferry, I would like to know what the capacity of the new boat will be.

**Mr. Chevrier:** The vessel will have an overall length of 345 feet, a speed of 18½ knots; it is designated to make one round trip a day, and has a carrying capacity of 600 passengers; and with its two automobile decks it has a total capacity of 300 cars. It is arranged to handle trucks and buses on the lower deck.

**Mr. Barnett:** I notice this item has to do with the provision of auto-ferry vessels. Making a comparison of the details given in the estimates I notice that they cover the provision of auto-ferry vessels on the Atlantic coast. I felt I would like to rise and draw to the attention of the minister that at the present time we have another coast in Canada, and that we have developing there a serious situation in connection with the provision of auto-ferry transportation, particularly to some sections of Vancouver island. While I am not rising to suggest that the federal government should necessarily assume responsibilities to the extent that they have been assumed on the eastern coast, I do feel there are some aspects of this problem to which the minister and his department should give serious attention.

[Mr. Chevrier.]

When we were discussing the first item of the minister's estimates I did attempt to draw to his attention some of the problems existing at the present time in connection with providing terminal facilities for auto-ferries, and expressed the hope that at least to that extent his department would consider developing a policy that would overcome some of the difficulties now existing.

So as to complete the general picture as I see it, calculations I make would indicate that for the Atlantic coast of Canada provisions in the estimates by way of operating deficits and subventions seem to total $7,810,725, whereas, so far as I have been able to discover, for the Pacific coast of Canada at the present time we are being asked to provide the modest sum of $345,000.

I am not rising in my place to ask that the amount for the Pacific coast be increased to equal that for the Atlantic, or anything like that; but I do feel the situation is one concerning which the Department of Transport and the federal government could take effective action, if they would. If I were going to put my remarks in the form of a question to the minister I suppose I would ask him whether if Vancouver island were to revert to the status it once had, when it was a separate entity from British Columbia, the federal government would then be willing to consider accepting some of the responsibilities, which apparently they do accept in respect of another island described, so the easterners tell me, as "the island" on the Atlantic coast, just as we term Vancouver island "the island" on the Pacific coast.

The minister will understand I am not suggesting too seriously that Vancouver island should secede from the province of British Columbia merely to be eligible for benefits under confederation that do not exist at the present time. Nevertheless I do hope the minister will give some indication that he is prepared to consider the transportation problem of the British Columbia coastal area.

**Mr. Chevrier:** The minister is always prepared to give consideration to transportation facilities, no matter where they are. But I have to draw to the attention of the hon. member the fact that the position is somewhat different on the Atlantic, because of the terms of confederation. There is a clear indication that the terms of union of Newfoundland with Canada stipulated that Canada would build this ferry service. There was also a clear indication, or certainly there is some indication—and there could be a debate on that—as between Prince Edward Island and the mainland, and the transportation facilities offered there. There can be

no doubt that we have assumed, under the constitution, and I think rightly so, that there was an obligation on the part of the federal government to provide at least a link between Prince Edward Island and the mainland; and that covers two, if not three of the car ferries mentioned in the estimates.

The matter my hon. friend has mentioned has reference, too, to a lack of facilities in certain areas. That would have to be determined by the maritime commission, which is charged with the subsidization of steamship services. They recommend to the government—and I hope I am not inviting debate on the matter. But I think there is a distinction to make between the two.

**Mr. Gillis:** You are on very safe ground.

**Mr. Chevrier:** I would not want my hon. friends from the west coast, or the hon. member for Comox-Alberni, to think that his area of the country is being overlooked. It is not. But the consideration has to be in one case by way of subsidy, and in the other by way of the fulfilment of a commitment. And I hope he will not take from that any suggestion that we are not anxious to give sympathetic consideration to any application made for additional transportation service on the west coast, or to and from Vancouver island.

**Mr. Fulton:** I have no desire to provoke a debate, but I could not allow the minister's remarks to go by without making the observation that the provision of transportation facilities was also a term of entering confederation at the time British Columbia entered. The minister will be aware that there has been a controversy, perhaps more of historical than of practical interest, over a great many years as to whether those terms were fulfilled with respect to the provision of transportation and communication with Vancouver island.

At one point there was the suggestion that the obligation was to build a railway across the strait of Georgia. If the minister could solve that problem of course he would be a wizard. I mention it because there is a certain similarity in the provision of communication with British Columbia and Vancouver island, which most certainly was one of the promises on which British Columbia came into confederation.

**Mr. Nowlan:** I have one more question. I understood the minister to say a few moments ago in answer to my question—I forget the term he used—that the ferry would be completed in October. Just what is meant by that? Does it mean that the ferry will be in commission then or launched then? Just what does he envisage by the term "completed"? When will the ferry be in operation?

**Mr. Chevrier:** My understanding is that it will be in operation in the fall of 1954.

Item agreed to.

471. Construction or acquisition of vessels for Newfoundland coastal services, $900,000.

**Mr. Stick:** I have a question to ask about the two vessels which are under construction for Newfoundland. What is the size, the gross tonnage of the vessels, and when will they be completed and put into service?

**Mr. Chevrier:** My hon. friend is speaking about Canadian National Railways ships. I think I have that. The gross tonnage is 1,200; length, 210 feet; breadth, 34 feet; speed, 12 knots. The ships are of steel construction. They are powered with diesel engines. Each vessel will have accommodation for 50 first-class passengers and 40 second-class passengers, with about 1,500 cubic feet of refrigerated cargo storage space. Delivery of the first vessel will be made in mid-1955, and the second one three months later.

Item agreed to.

472. To provide towards the cost of surveys of Newfoundland Railway properties entrusted to the Canadian National Railway Company, $17,500.

**Mr. Green:** This is an item to provide for the cost of surveys of the Newfoundland Railway properties. Can the minister explain to us just what is being done along that line, and also whether any investigation has been made concerning the cost of making the Newfoundland Railway standard gauge.

**Mr. Chevrier:** This vote represents the department's share for 1954-55 of the cost of a joint survey with the Canadian National Railways of Newfoundland Railway properties which were transferred for operation to the Canadian National Railways.

With reference to the second question, whether any study had been made of the cost of making a standard gauge railway of the present railway of Newfoundland, no detailed study has been made. I think all that the Canadian National did at one stage was to make a general survey and an estimate, which was a very high one, if my recollection serves me right.

**Mr. Stick:** From $80 million to $90 million.

**Mr. Chevrier:** My hon. friend says from $80 million to $90 million, and he is probably correct. Beyond that I am afraid I could not go. Certainly, no detailed study has been made.

**Mr. Green:** The minister mentions railway property. Does he mean railway equipment, rolling stock and so on?

**Mr. Chevrier:** No, it is lands.

**Mr. Stick:** When our railway was built in the first instance certain grants of lands were given to the Reid Newfoundland Company which built the railway. It was eventually taken over by the Newfoundland government of the day, and now the Canadian National Railways are operating it. I have had some correspondence with the railway with respect to some of the property. It is essential that this survey should take place so that our railway will know what lands it has and what is the type. That is the purpose of this survey.

**Mr. Chevrier:** I thank my hon. friend.

Item agreed to.

473. Degaussing and strengthening for armament, sea-going merchant ships of Canadian registry of 1,000 gross tons and over, $300,000.

**Mr. Thatcher:** In view of the fact that a substantial number of Canadian ships have gone off Canadian registry in the past year, I wonder why this item has not been cut more than it has. In the details on page 537 we find that last year actually $335,000 was spent on degaussing ships. Is it still estimated by the minister that $300,000 will be needed for this purpose in the coming fiscal year?

**Mr. Chevrier:** This is the estimate for this year. It is expected that for the present fiscal year the following ships will be degaussed: Three of the Canadian National West Indies steamships, the *Canadian Challenger,* the *Canadian Cruiser* and the *Canadian Constructor;* six of the Canadian Pacific Railway ships; the Port aux Basques ferry, which is being built by the Department of Transport; the Yarmouth ferry which is being built by the Department of Transport; the *C. D. Howe;* the *N. B. McLean;* the east coasters, the Canadian National ships that were spoken about by the hon. member for Trinity-Conception; two tankers; the Nanaimo ferry, which is being built in the United Kingdom for the Canadian Pacific Railway. These are the ships which are expected to be degaussed during the course of the year.

**Mr. Harkness:** Can the minister tell us how much it does cost to degausse one of these ships; how much does it cost to strengthen them so that armament can be placed in them?

**Mr. Chevrier:** Degaussing differs with the ships themselves. For instance, take the Canadian National West Indies steamships. It will cost $40,000 for the three of them. The *C. D. Howe,* which is a big ship, will cost $20,000; the *McLean,* $20,000; the Port aux Basques ferry, $25,000. With respect to strengthening them for defence, that is rather difficult for me to answer. I can only answer it by reference to a study which was made some years ago about the cost of strengthening the former Park vessels, and that ran into substantial amounts per vessel; certainly it was more than the amounts I have given here. I would not like to risk a guess but certainly a matter in the hundreds of thousands of dollars.

**Mr. Harkness:** Is all this money then for degaussing, rather than for strengthening the ships in order to equip them with guns?

**Mr. Chevrier:** None of this is for strengthening these ships. It is all for degaussing.

**Mr. Harkness:** The item then is somewhat misleading. It states: "Strengthening for armament."

**Mr. Chevrier:** I have a breakdown here. The object of the vote is to initiate a program for strengthening the construction of new sea-going ships of over 1,000 gross tons, and degaussing and strengthening the ships of our own department and those ships which remain in the fleet. As my parliamentary assistant has just drawn to my attention, the purpose of degaussing is to demagnetize the ships.

**Mr. Harkness:** It is an anti-mine device.

**Mr. Chevrier:** Yes.

**Mr. Harkness:** I quite understand that, but my point was that the item should be degaussing, rather than degaussing and strengthening for armament, because there is no strengthening for armament taking place. Another question I wanted to ask was in connection with those ships which have been degaussed. A considerable amount of money has been spent on them, upwards of $100,000 apiece if I understood the minister correctly.

**Mr. Chevrier:** I did not say that; my hon. friend misunderstood me. What I said in answer to his question was that my recollection was that that was the amount it would cost to strengthen them. I did not say we had spent that amount. As far as I can remember we have spent no money to strengthen the Park ships since I have been in the Department of Transport.

**Mr. Harkness:** I understood that money had been spent.

**Mr. Chevrier:** No.

**Mr. Harkness:** The question I was coming to then was this. In regard to the ships which

have been given this degaussing or strengthening treatment, does the government make any provision for repayment of the work which has been done when they pass from the Canadian registry or is this work given as a free gift to the country which secures the registry of the ship?

**Mr. Chevrier:** The ships for which this money is being provided will all remain here. These ships belong to the Department of Transport, the Canadian National West Indies, and the Canadian Pacific Railway.

**Mr. Harkness:** But this work was carried out last year and the year before and no doubt some of these ships have now gone off the Canadian registry. My question was, does the government get any return for the work done on these ships after they are taken off the Canadian registry?

**Mr. Chevrier:** The answer to that is that while they pass from Canadian registry it should be remembered that they are transferred under an agreement with the United Kingdom by which they can be recalled to Canada, and by virtue of which all the profits of these vessels are paid into the Canadian treasury, so that there is great benefit, in that event, derived from the degaussing of these ships.

**Mr. Harkness:** May I ask another question with regard to the expenditure on Canadian Pacific Railway ships which have undergone this treatment? Should the Canadian Pacific Railway decide to sell these ships during the coming year will there be any rebate, or will the government have any claim for the work which has been done on these ships and which cost a considerable amount of money? In other words, will the government have any claim for rebate if these ships are sold to some other country?

**Mr. Chevrier:** I am informed that these are all coastal ships which are necessary for the operation of certain services on the west coast. It is not likely that they would be sold, but if they were sold I am afraid the answer to my hon. friend's question would be yes.

**Mr. MacLean:** Mr. Chairman, just to keep the record straight and in regard to item 470, I asked the minister a question with reference to the capacity of the proposed ferry boat which is to be put into service between Wood Islands and Caribou. I am not sure but I think from the figures the minister gave he thought I was referring to the ferry to be operated between Bar Harbor and Yarmouth.

**Mr. Chevrier:** My hon. friend is quite correct. It has been brought to my attention that I gave him the figures for the Bar Harbor-Yarmouth ferry and I presume that is why the hon. member for Digby-Annapolis-Kings was about to rise. The figures for the auto-ferry between Wood Islands and Caribou are as follows: over-all length 240 feet; breadth 45 feet; draught 10 feet. It has 1,000 horsepower and is capable of carrying 36 automobiles. I think that is the information my hon. friend wants.

Item agreed to.

475. Canadian National (West Indies) Steamships, Limited—to provide for the payment from time to time to the Canadian National (West Indies) Steamships, Limited (hereinafter called "the company") of the amount of the deficit occurring during the year ending December 31, 1954, in the operations of the company and the vessels under the control of the company, as certified by the auditors of the company, and upon applications made by the company to the Minister of Finance and approved by the Minister of Transport, not exceeding, $581,000.

**Mr. Nowlan:** Mr. Chairman, this is the item which provides for a deficit in the operation of the Canadian National (West Indies) Steamships and the estimate for this year covers an amount of $581,000. There was no preceding item. In other words, this is the first time this item has appeared in the estimates. I know there are others who wish to comment on this matter, and I simply wish to say that I hope the minister is in a position to make some general comment on the operation of this service. The deficit seems fairly substantial but, on the other hand, it is an initial service in so far as freighters are concerned. I can tell the minister it is one which is appreciated in the east, and I believe it is one which should be extended.

As I said during the discussion on the opening item the other day, I hope the minister will see his way clear to assist in encouraging the company to expand the operation of these steamships so that a better and more regular service than the one now in operation will be provided.

Other instances could be given, but the instance to which I referred the other day dealt with the possibility of shipping goods to Venezuela. Farm products from the maritime provinces could be shipped, and provided we had a refrigerator service on a regular basis there could be a tremendous expansion in the export of such goods. Venezuela alone will buy thousands of cases of eggs a week from the maritime provinces. Yesterday when the Minister of Trade and Commerce was speaking on the excellence of the trade commissioners service—and it is an excellent one—I recalled the fact that one of his trade commissioners was in the Annapolis valley, which is the valley, of course, of Canada—

**Mr. Harris:** Oh, no.

**Mr. Nowlan:** As I say, it is the valley of Canada. I hear some voices raised, and I presume it is in approbation. This trade commissioner was down in the Annapolis valley with assured markets, so he said, for over four thousand cases of eggs a week. Then when we checked into the matter we found that the transportation was not available because there was no regular refrigerated service.

I know that things have to come slowly. I realize that the minister must watch expenditures. I know that this is not a matter with regard to which one can urge that the whole trade be revolutionized overnight. However, I want to impress upon the minister the importance of this service. If he is going to cut down deficits, I think perhaps the further expansion and extension of capital expenditure in providing additional service will ultimately result in greater revenue and possibly the obliteration of deficits entirely.

**Mr. Bell:** Before the minister replies, I should like to reiterate the words of the hon. member who has just taken his seat with regard to the Canadian National (West Indies) Steamships Limited fleet. I appreciate the fact that the operations of it were thoroughly gone over in committee. However we in the maritimes notice that there seems to be a fairly pessimistic attitude about the future of the fleet. I do not think it is in keeping with any good sound business plan for any company that the government and their officials should take this attitude. Recently some sort of announcement crept into the newspapers that a year or two might see the discontinuance of operations entirely. I recall that the minister quickly denied this report in the house and we were appreciative of that fact. But as the hon. member who spoke previously has just said, if you are going to operate any company you must make plans for the future. You must have some new ships, and I suppose new refrigerator service and others, in order to keep this worth-while trade with the West Indies and Caribbean.

A short while ago I questioned the minister and he assured us that the eight ships—I think that is the number—that are still in service in the Canadian National (West Indies) Steamships Limited fleet are going to be continued in operation for at least another year. I sincerely hope that every effort will be made to keep them in operation. I also hope that the policy—whether it be right or wrong—that the government has with regard to the merchant fleet generally in Canada will not in any way creep into the policies and considerations with regard to the Canadian National (West Indies) Steamships Limited fleet itself. I hope that the fleet will be considered on its own merits as a necessary investment for the services that have been built up and which mean a great deal to us in the maritimes.



**Mr. Lennard:** Before the minister answers I might make one observation. I was not on the committee that went into this matter in detail, but my perusal of the annual report would indicate to me that it might be well to consider putting into service vessels similar to the "Lady" boats that were taken off last year. I am sure they were taken off principally because they were becoming a bit aged and because they were not economical to operate.

**Mr. Chevrier:** They were not patronized.

**Mr. Lennard:** From my perusal of the annual report it would seem to indicate that the deficit was caused by the cessation of operations of those two vessels. It is indicated in the report that the charter revenues decreased by over $600,000 because those two vessels were taken out of service. I was wondering whether or not they were operating at a profit instead of as the minister has indicated on several occasions. From the report, to a layman—and I include myself—it would appear that these boats were paying. The report says:

> Freight revenues amounted to $4,336,008, showing a decrease of 25·3 per cent. This result was mainly due to a decline in volume and a substantial drop in rates on northbound cargoes of raw sugar, and to the cancellation of six voyages . . .
>
> Passenger revenues were reduced from $869,400 to $132,823 mainly due to the withdrawal of the two remaining "Lady" vessels from service at the end of 1952.

The account given in this report clearly indicates that the reduction in revenue was because of the discontinuation of this service. Whether it was because they were refrigerated and carried additional freight which made up some of the profit, I would not know. Can the minister explain the situation?

**Mr. Chevrier:** As the committee knows, this vote was considered at more than usual length this session before the committee on railways and shipping, and the president of the Canadian National (West Indies) Steamships Limited dealt fully with this whole subject. First let me say that the company operates eight ships, three diesel-type refrigerated vessels and five non-refrigerated cargo vessels. Operating revenues from the operations during this financial year were $4,945,000 whereas operating expenses were $5,200,000, leaving a net operating loss of $280,000, and when you add interest on bonds and interest on government loans, it makes the estimated income deficit $581,000.

The "Lady" boats were withdrawn because they were not profitable. They were withdrawn also because they were becoming obsolete and, as the president explained, because people are now going to the Caribbean and to the West Indies by plane rather than by ship because of the great saving of time. They were withdrawn also because it was necessary to spend substantial sums of money on them. It was felt that in view of the revenue which was derived from the "Lady" boats as opposed to that derived from the freighters, the time had come to dispose of the others.

This picture, I realize, is not good, but I think it is exceptional. I do not think we shall have a repetition of this situation. I think the potential for trade with the West Indies is great; in fact, it is tremendous. It is unfortunate that the movement of cargo has not been greater between our maritime ports and the British West Indies. I think the sterling question has had a great deal to do with the matter. I again repeat that I believe this is an extreme situation which should not repeat itself this year. For that reason I made a statement in the house which I hoped would allay the fears of anyone that the Canadian National (West Indies) Steamships Limited were thinking of withdrawing their ships. There is certainly no present intention of doing that. I am hopeful that trade will increase. In fact, the Minister of Trade and Commerce indicated to me some time ago that there was a fairly clear indication that it would increase during the course of the year

I can sum up all the remarks I have to make by saying that the whole position will depend on the operations. If business increases there will be no need for even thinking of withdrawing this service. It is pointed out to me now that the result of operations at the end of April this year as compared with that at the end of April last year is better by about $100,000. I therefore think we can look with some degree of optimism to this trade. I know that the Canadian National (West Indies) Steamships Limited are not at all anxious to withdraw the service. They are most anxious to have it continue and they are hopeful that the trade will increase.

**Mr. Lennard:** I might say that I am not a bit critical. I only hope they do continue to operate even if they have to do so at a loss for two or three years because I think eventually they will win. When the sterling question is settled there should be increased trade with the West Indies. As was suggested by the hon. member for Digby-Annapolis-Kings, if several of the vessels that are not refrigerated were refrigerated they could take agricultural products from the maritimes to South American ports. I think that would possibly be one method of solving the difficulty. But I do hope that the service is continued and even expanded regardless of whether they have to operate for several years at a loss.

Item agreed to.

Pensions and other benefits—

*478.* Railway employees' provident fund—to supplement pension allowances under the provisions of the Intercolonial and Prince Edward Island Railway employees' provident fund act so as to make the minimum payment during the period January 1, 1954, to March 31, 1955, the sum of $30 per month instead of $20 per month as fixed by the said act, $12,250.

**Mr. MacLean:** Would the minister give the committee some indication of how many former employees of the railway benefit under this provision? I should also like to know whether some means could not be found to increase the allowances of these retired railway employees. I have had several complaints from men in this group who are now trying to live on what is practically a pittance. They were employed a number of years ago. They made their contributions then when the cost of living was much lower and had reason to believe they would be fairly secure in their old age but now, because of the great increase in the cost of living over the years, they find themselves left with very little purchasing power with which to buy the necessities of life. I wonder whether consideration could be given to increasing the amount, especially since the number of men concerned must be quite small.

**Mr. Chevrier:** As my hon. friend knows, this item has been appearing in the estimates over a long period of time, and there has been an increase from $20 to $30. I have forgotten when the $20 was granted but I believe it was in 1921 that the amount was increased to $30. It is true that is a long time ago, and it may well be that the cost of living, with reference to the value of the dollar then and today, has undergone quite a change. Representations have been made to me by this group of former railway employees on at least three if not more occasions. I have met their delegations and I have met them individually, and they certainly are an excellent group of people. They are not exigent in their demands, but I have had to point out to them, as I have to others, that since their representations were originally made the universal old age pension has come into force which means a total payment of $70 in the case of those who are over the statutory age.

In some instances that is quite a help. I know they have admitted it is a substantial help, but they have stated that there are certain medical cases, people who are ill, where there is great hardship. I have agreed to have the railways study that particular additional representation, and thus far the railways have not made any recommendation to me. However, the position of these men is far better now than it was when the original representations were made.

**Mr. MacLean:** I realize that is the case with respect to those who are over 70, and I appreciate the minister's reply, but I do hope he will still entertain in a most sympathetic way any further representations that may be made.

Item agreed to.

Air services—
Airways and airports—radio aviation services—
*480.* Administration, operation and maintenance, $5,749,559.

**Mr. Diefenbaker:** I should like to make a few general references having to do particularly with administration, operation and maintenance. They concern the need for the development, construction and maintenance of airports in the northern part of our country. I want to thank the department for what is being done in northern Saskatchewan, particularly with respect to the construction of an airport at Prince Albert in my own constituency. In saying that I feel that further development should take place in northern Saskatchewan and in general in the other northern areas of our country where mineral developments are taking place that are great in their extent and tremendous in their possibilities.

One of the main means of securing northern development and the utilization of our natural resources in that region where there is no railway, lake or railway transportation is through the medium of airways. I think it is proper to say that to develop the resources of the north requires air transport at reasonable prices. The air policy of our country was enunciated in 1937, and the conclusion to which the Edmonton *Journal* has come, after examining air transport in general in a series of articles, may be summed up in these words which I quote:

> Our standing relative to the rest of the free world has suffered a net loss between 1937 and 1953 and we are far behind the world's leaders.

That is the conclusion of the Edmonton *Journal* following a series of several articles dealing with this very important matter. I suggest to the minister that in order to assist northern development a policy greater than anything we have had in the past should be launched, with particular reference to the provision of facilities for the landing of aircraft, the shipment of supplies and the provision of passenger transport into the north. I believe that the present costs of travel and of transport deserve to be reconsidered in the light of present circumstances, and that the federal government can make a major contribution towards making air transport economical by expanding to the widest possible degree the building of airports in the north and by providing all the ancillary services which would necessarily be required in addition to that development.

I am not going to talk of other provinces in particular, but of the province of Saskatchewan. I feel that having regard to the developments that are taking place in northern Saskatchewan immediate consideration should be given to the improvement of airport facilities at Lac la Ronge, north of Churchill, and also at Uranium City so that a greater degree of air service will be provided there than has been the case heretofore.

I believe that northern development is being held back by the lack of the necessary air facilities as well as air services at reasonable rates. I am not going into the costs of travel on this occasion for that would take longer than the committee would desire to hear me at this time. But I do point out that something should be done to assure that our airport facilities are made as efficient as the needs of modern development require; that they should be expanded and their expansion would give the opportunity for extended mineral development in those portions of our country where rail and water transportation is not available. Such a policy would not only pay large dividends in increased development but it would also provide the basis or the nucleus for the preservation of our defences in northern Canada.

In so far as transportation rates are concerned I think that the air transport board should make a thorough review of the northern rate structure. The first thing the government should do, as I see it, is to provide the airport facilities in the north to a greater extent than heretofore. Something has been done, that is true. Much more remains to be done. Secondly, I feel that there should be, as I said a moment ago, a review of the freight rates structure. The Trans-Canada Air Lines and Canadian Pacific Air Lines make a great contribution to our country. The Canadian Pacific Air Lines are doing a tremendous job in facilitating the opening of the northern outposts of our country, and in particular those areas in which mineral developments are taking place and which will expand to a far greater extent in the years that lie ahead.

I believe that today passenger rates and air freight rates are too high. If it is a matter of facilities and airports that is contributing to that, then the federal government I suggest has a responsibility to render to the highest degree possible the efficiency of the airports.

Let me give you two or three examples, Mr. Chairman, so far as passenger rates are concerned. The rate from Edmonton to Yellowknife is $80, and for almost the same distance from Edmonton to Brandon it is $50. The rate from Edmonton to Beaverlodge is $64 compared with $30.50 to Regina, an equivalent distance. I am making all allowances for the differences in facilities on the airways that prevail in the southern portion of the provinces of Alberta and Saskatchewan. These rates would appear to be not encouraging to the development of the north. Furthermore, in regard to passenger rates it costs more to travel in Canada when one travels by T.C.A. than when one travels internationally. The rate from Calgary to Vancouver is 8·5 cents per mile, and from Montreal to New York it is 5·8 cents per mile. It costs $19 more to travel from Vancouver to Montreal than it does from Vancouver to New York. Those are but examples of a rate structure which I think deserves consideration, and that rate structure, in northern development, is a major element to be considered.

If the rates that are high into the north today are due in part to the lack of necessary facilities that the Department of Transport could provide, then I would think it would be an expenditure paying dividends beyond our present expectations in the encouragement it will give to the exploiting of those resources that are there. At the same time the provision of facilities would be useful for defence should defence be required at any time. I would ask the minister what consideration is being given to the expansion of airports in the northern portions of Alberta, Manitoba, Ontario and Quebec, to provide the opportunities that only the state can provide so that private enterprise may be able to economically enter those areas to expand the development. Great as that development is today, I believe it could be greatly increased and facilitated by a worthwhile expenditure of that type.

I come back to where I started. I suggest that this is a very complex subject, and that it deserves the consideration of the transport board in so far as rates are concerned; that it concerns the Department of Transport, which has done a commendable amount of work in connection with the development of airports in recent years but which has not met, to the degree I feel it should have met, the tremendous possibilities inherent in the hidden resources of the northern part of our country. Everything that we can do should be done, and the state has a contribution to make with regard to providing opportunities for air transport.

**Mr. Dinsdale:** I should like to make a brief reference to a problem that is quite specific. It concerns the qualifications of pilots, both commercial and private, as radio operators. Radio facilities are of the utmost importance to pilots, whether they be carrying the responsibilities of commercial air line flying or whether they be flying merely for their own personal pleasure or personal business.

I understand that in order to be able to use any radio facilities it is necessary for pilots to be completely certified radio operators. With regard to the qualifications as between the holders of commercial pilot licences and private pilot licences, the requirements are scaled down considerably for the latter. That is, the private pilot does not have to have the broad background of technical knowledge, professional knowledge, meteorology, and the like, that is required by the more responsible position of pilot of a commercial air liner.

It seems to me the same formula might operate for radio operators. If a private pilot is going to use radio equipment to aid him in navigation, or to facilitate communication between air and ground, he usually has a simple set, or one that would be no more complex than the radio found in a home. Or if he uses radiotelephony, it would be as simple in its operation as an ordinary house telephone. It has been pointed out to me that it would facilitate considerably the use of the simpler radio aids available to a private pilot if the qualifications could be scaled down somewhat as they are for other qualifications in flying operations.

**Mr. Hahn:** Mr. Chairman, between 1942 and 1952 the air traffic at Vancouver airport increased about 14 times. That is a tremendous increase, and is indicative of what is bound to come. I raise the question at this time because in the lower mainland of British Columbia we have so little space available for airport purposes that I think the Department of Transport should begin thinking seriously of taking every available opportunity to be sure that land is being kept for that purpose.

Approximately 10 per cent of traffic at the airport today is of the military type. We have two small civilian airports, one at Langley Prairie and the other at Haney. Let me say that the people at Langley Prairie

would like me to bestow their best wishes and thanks upon the minister for including a small grant to that municipality to maintain the airport.

If in this country we follow the European plan of developing aircraft—and I think we are doing it to a degree—there is a possibility of using helicopters on a large scale. I spoke to the president of Trans-Canada Air Lines when he appeared before the committee. Discussing the matter privately with him he said that he thought that if we ever get helicopters that will accommodate 20 or 30 passengers we would soon find them being used between Vancouver, Nanaimo, Victoria and Seattle in the United States.

For that reason and many others, we can easily see that air traffic is definitely going to increase as the years go by. As I said earlier, in the vicinity of Vancouver we have very few sites available for airport purposes. There are certain physical factors needed in airport building with which the minister is quite familiar and which I need not outline here. These conditions leave us in a position where we just do not have many sites left.

One of the most important factors is land. While we have considerable land in the lower portion of the delta, it is not suitable because there is no bottom to it. It is not satisfactory for the purpose of building airports.

One of the most important points is that it is about a 35-minute jump from the city to the airport. That is true of the Sea Island airport, which is being used at the present time.

There is another factor which must be considered, and that is the separation of civilian aircraft from military aircraft, and from the operations of large passenger-carrier types. In this connection I would refer to an article that appeared on the editorial page of the Vancouver *Province* on May 28. It is headed "Before There's Another Moose Jaw Tragedy," and states:

> R.C.A.F. pilot training should be moved away from Vancouver's international airport—the busiest airport in Canada—before there is a duplication of the recent Moose Jaw tragedy.
>
> Airline and airport officials are unanimous that our flying field will become hazardous unless other places are found for training student pilots.
>
> We hope that R.C.A.F. authorities will take steps to remedy the situation before a ghastly accident vindicates the warnings made this week. R.C.A.F. training should be moved to another airport—moved just as fast as practically possible.
>
> There are fields at Abbotsford, Boundary Bay and Comox that would serve R.C.A.F. training needs just as well as Vancouver, whose airport is twice as busy as any other in Canada.
>
> This is not to discount the value of R.C.A.F. training or deprecate the ability of R.C.A.F. student pilots. The point is that it is not necessary to pick the country's most congested airport to train flyers when there are other fields, just as suitable, within a few minutes flying time.
>
> R.C.A.F. students are flying everything from Harvard trainers to jet fighters and the danger lies in the fact that the student, new to the machine, is so busy keeping it in the air that he can't always give enough attention to keeping an eye out for the big passenger transports.
>
> Before the Moose Jaw crash, Canadian Airline Pilots' Association had written to the R.C.A.F. protesting the placing of R.C.A.F. stations along civilian airways. This complaint is underlined when an R.C.A.F. training station is right at the busiest flying field in the country.
>
> One air expert sums up the situation this way: "The pilot of a heavy airliner, carrying anywhere up to 70 passengers, has a right to feel that he and his passengers can approach a field and concentrate on landing without having to cope with unnecessary hazards."
>
> Less urgent, but also important, is the need to find other places than the airport for private student pilots. In time it will be necessary to consider finding a secondary airport for students, according to the experts.
>
> But the urgent, immediate problem is to move the R.C.A.F. pilot training to a safer flying zone. There is no other place for the big airliners to go. But there are other fields for the R.C.A.F.

Those fields are established, and I would urge the minister to interview the officials in the R.C.A.F. and the defence department to see if the training schools could not be put in another area. I would urge, further, that he look over the situation carefully, because it is an important one. There were six or seven fields available a few years ago, but today there are only two on the lower mainland that would be acceptable as secondary airports.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at eight o'clock.

**Mr. Hahn:** Before the dinner hour I had read an editorial from the Vancouver *Province* regarding the need for another place for the R.C.A.F. airbase and for civilian aircraft other than the Sea Island airport. In 1946, Harland Bartholomew and Associates examined the airport requirements in the metropolitan area of Vancouver. They made certain proposals, and I may say in this regard that their estimates of airport use has proven to be a very accurate one. They proposed that eventually there should be three major airports, one of which should be a military one, one secondary and three minor airports. We have today only the one major airport in the lower region of British Columbia, and that happens to be the one on Sea island. We have two minor ones and a military airport at Abbotsford.

In regard to the Sea Island airport, in the report on airports for the lower mainland we read this at page 18:

> At present the Sea Island airport is used by four distinct types of air traffic, namely, high speed military aircraft, scheduled aircraft, charter and training aircraft. As the field becomes more and more intensively used the hazards inherent in mixing these various types of traffic become more acute. The situation might be compared to an express highway which was expected to handle high speed automobiles, bicycles, pedestrians and tanks at the same time.

I am sure the minister is quite aware of the difficulty, and probably may have certain suggestions relative to it. However I should like to draw this to his attention, since I understand the department has purchased land for further airport development in the Sea Island area. The fact is that it becomes more apparent, particularly since the crash at Moose Jaw, that airports should be farther apart. I would say that the minimum should be five miles, and certainly that five miles separation is not apparent at the Sea Island airport.

Earlier in my statement I mentioned that there were several airports available in the area. These places that are suitable have greatly dwindled until just three are left, one in the region known as Coquitlam, which is in the Burnaby-Coquitlam riding, the second in Delta and the third in the White Rock region. The Delta area is of no use because it has an unsound bottom for aircraft purposes; but in regard to the other two, this same report has this to say:

> A site in Port Coquitlam which was recommended by the Bartholomew report in 1946, is still available. However, it is not considered completely suitable because of fog and drainage and foundation problems.
>
> Another potential airport site is located near White Rock, also about one hour's drive from downtown Vancouver. Physically, this is an excellent site. The ground is almost level; tree cover is not heavy; and the area is high, fog free and located in perhaps the clearest and sunniest area in the lower mainland. Runways of 6,000 feet will be possible, allowing it to become a secondary airport.

Now, sir, we have no secondary airport, and the report earlier indicated we should have one. This could be the secondary airport. The report continues:

> The only disadvantage, its distance from the Burrard peninsula, would be lessened considerably if a second major crossing of the Fraser and an express highway to the border were built west of the Pattullo bridge. This highway link would reduce materially the time required to reach the airport site.

That area, according to all reports, is the one area that must be kept in mind. I have had some discussion with the minister in regard to this problem, and as late as March 29 of this year he wrote me a letter in which he had this to say:

> According to the information I have received, the lower mainland regional planning board of British Columbia made a study of a site at White Rock some time last year and it considers the White Rock area ideal since the ground is high and level and fog free, as you report in your letter. The great disadvantage appears to be the distance it is located from the city. However, as stated in my letter of March 10, we have no requirement for property in the White Rock area for airport purposes.
>
> You mention the Vancouver international airport being located in an area that is frequently subjected to heavy fogs, but I am sure we must agree that, apart from this, it is quite a good location for the larger airlines and, with the improved aids to air navigation, we feel that we are making no mistake in establishing it as Vancouver's major airport.

In regard to fog, I well remember the situation in which I happened to be involved last year, when the Betty Hutton troupe happened to be in Victoria and I, along with the group, was trying to get a flight out of Victoria to Vancouver. The airport was fogbound and we could not get a plane in or out of the airport. Vancouver was fogbound as well, so the troupe never did get out in time to play that night. I am sure the minister knows of many such instances. Despite all the modern conveniences we have in the Vancouver airport, Sea Island airport is quite frequently fogbound, and of necessity we should have an airport that is less subject to fog. For that purpose we have Abbotsford airport which is used considerably in those instances, but for secondary purposes we have no such fog-free airport.

For that reason perhaps he should, and I trust he will, consider taking a second look at this White Rock region. The reason I mention this is that the whole region is building up rapidly. Representations have been made to me, and I am sure the minister must have had them before my time, asking that some definite statement be made as to whether or not his department has ever considered using that particular region for airport purposes. The increased population makes it necessary to prepare to zone a site such as that for airport purposes. It is necessary that a municipality should know these things so that they can stop the sale of land in a region such as that for residential purposes or other purposes; to prepare restrictions regarding the height of buildings; to prepare the gazetting of the various roads to go about such an area and not permit the roads to go through them which would be of no use later on. They should help in this

way to facilitate local municipal projects so they will not hinder or impede what is being done in the municipality.

An indication by this department would help. It would help the municipality to establish sites for hospitals and schools and even secondary and arterial highways. The value of property is naturally affected for two or more miles around such an airport, and it would have a material effect I am sure on anyone who is buying property in the area. They should be made aware of the situation.

We are interested in preventing another crash such as we had at Moose Jaw. We are also interested, particularly in my own riding, in trying to establish once and for all whether the department will at any time consider the use of that site for airport purposes because the municipality has been urged to give it up by various aeronautical experts in that region, possibly some of them from the Department of Transport itself. However, as I said, we do not want any accidents similar to that which took place at Moose Jaw, and we do not want an airport located so close to the city as is the case at Elizabeth, New Jersey, where an airliner crashed in the city, or in Seattle where there was a similar air crash some years ago.

I would urge the minister to take another look at the report issued in 1946 which gave examples of many probable sites in that area. It is true that today there is only one site left, but I hope the minister will indicate to the house his views on the suggestion made by the municipality and by me that the Department of Transport ask the region be zoned for airport purposes so that it might be used at some time in the distant future.

Earlier in the discussion I drew the minister's attention to Mr. McGregor's views on the use of helicopters in carrying passengers to and from White Rock and Vancouver. If helicopters can be obtained which have a large enough passenger carrying capacity there is no doubt aircraft of that type could be utilized in large centres across Canada. I would urge that consideration be given to this suggestion because I understand that in Europe today they already have helicopter services in operation between certain points in Belgium, Holland, and Germany, and I believe some of them are capable of carrying up to 20 passengers.

If helicopters are going to be used in the very near future for trial purposes I would suggest that we might well set up a triangle run between Vancouver, Victoria and Seattle. It might surprise many hon. members to know that it takes less time to fly from Sea island to the airport on Vancouver island than it does to drive from downtown Vancouver to Sea island, even though the Marpole bridge is closed.



**Mr. Churchill:** Mr. Chairman, mention has been made by the hon. member who has just taken his seat of the disastrous air crash which occurred at Moose Jaw, and I thought that at this stage the minister could perhaps give us a little more information than has been given to the house up to the present time. It is over two months since that tragedy occurred. In the interval certain questions have been asked here in the House of Commons concerning it. The Minister of Trade and Commerce gave a brief report to the house on May 5, and when we were dealing with the estimates of this department just last week on June 2 my colleague, the hon. member for Queens, asked the minister if he had anything to add to that earlier report of May 5. He indicated that he had nothing to add at that particular time. I would think that perhaps now, in view of the general interest the house has shown in this matter, the minister will give us some further information.

I approach this subject not in any spirit of captious criticism but merely with the desire to obtain information such as any person who travels by air would like to have. It may be that that accident at Moose Jaw was one of those million-to-one chances which might not occur again. On the other hand, there may be circumstances in connection with it which would give rise to a change in the regulations to make it less dangerous in the future. It may be that a greater measure of co-operation is desirable between the Department of Transport and the Department of National Defence, both of which are concerned with aircraft traversing our airways. It is for this reason that I rise at this moment to suggest to the minister that he give us some further information.

With the increase in air traffic the public is as much interested in safety regulations for that method of travel as they are with regard to travel by rail or on the highways, and from time to time here we have discussed the necessity for better methods of preventing accidents at level crossings, and better methods of controlling highway traffic. Similarly, with regard to the air, it would be helpful if full information was supplied, so that the public, which is becoming airminded, may feel assured that all precautions are being taken to transport them from one airport to another in as safe a manner as possible.

I do not think there is any need for criticism of one service or another. I do not propose to indulge in that. We have great admiration for the effective operation of T.C.A., and equal admiration for the training program of the R.C.A.F. I am sure everyone appreciates the need for carrying on the programs of the two services at the highest efficiency. Nevertheless, when a tragedy occurs, such as that at Moose Jaw, it is only right that the subject of air safety be investigated, and that the public be taken into the confidence of the government with regard to the measures that may be undertaken to provide for greater safety in the future. If the simple explanation is that this is one of those unaccountable air accidents, then naturally we will have to be satisfied with that. There appear to be rather exhaustive regulations governing aircraft flying in this country. However, I have here the air regulations which go along with the Aeronautics Act and the copy I have is dated May 24, 1951. Perhaps it is not as up to date as it might be. Nevertheless, I notice, according to these air regulations, part VIII, section 4, that they do not apply to military aircraft. The section reads:

> These regulations do not apply,
> (a) to military aircraft of His Majesty when manoeuvring under the authority of the Minister of National Defence;

That raises the question as to whether there is some system of co-operation between the Department of Transport and the Department of National Defence to ensure that their regulations are in accord one with the other, and that civilian pilots are familiar with the action that may be taken by military pilots and vice versa.

In the report which the Minister of Trade and Commerce gave to us on May 5 I notice that he mentioned that the T.C.A. aircraft was proceeding west on civil green airways No. 1. The minister might let us know what is meant by "civil green airways No. 1". Does that mark out some specified route which is normally available for T.C.A. aircraft and is that airways route, so called green, known to all other operators of aircraft? The minister might also let us know, based on the regulations, something about flight plans at an airport where both civilian and military aircraft are in operation. Are the flight plans of both types filed with the airport control or air traffic control?

Then what is meant in the regulations by, say, a control area which is called an air space of definite dimensions within which air traffic control is exercised? Then there is a control zone which is an air space of definite dimensions within which rules additional to those governing flights in control areas apply for the protection of air traffic. It would be interesting to know the extent of these areas and whether or not aircraft other than T.C.A. aircraft are permitted to fly in those control areas or control zones. If so, under what regulations do they make those flights? Those, Mr. Chairman, are some of the questions that arise in my mind with regard to this matter.

I grant that the minister is placed in a rather awkward position. On May 5, when the Minister of Trade and Commerce was asked as to who might give us a full report with regard to this matter, in view of the fact that three departments of the government were more or less concerned, he placed the burden on the shoulders of the Minister of Transport. I hope that fact will not prove embarrassing to him but I grant that it is a rather awkward situation when other ministers may be concerned. But whether or not the minister now has in his possession the final report he referred to on June 2, nevertheless after the lapse of over two months, one would surmise that the necessary investigation has taken place and that certain steps have been taken, if required, to improve on our regulations. On the other hand, perhaps the investigation so far has indicated that the regulations are sufficient and satisfactory. But in the general interests of the public and in connection with air safety, I would ask the minister to let the committee now have some information concerning this particular problem.

**Mr. Chevrier:** Mr. Chairman, I think the suggestions of most hon. members who have spoken thus far are reasonable ones. The questions are becoming so numerous that I feel I should proceed to deal with them at once before they add up any higher in number. I should like to put on record the names of the consulting engineers on the St. Lawrence seaway, as asked for by the hon. member for Peterborough. They are as follows: Mr. R. A. C. Henry; Mr. M. V. Sauer; Mr. H. W. Lea; Professor J. E. Hurtubise; Lalonde and Valois; Surveyer, Nenniger and Chenevert, and Dr. Pratley.

Then I should like to deal with the question raised by the hon. member for Digby-Annapolis-Kings when he inquired as to the breakdown of the $1 million in connection with the payment for the Yarmouth-Bar Harbor ferry. The breakdown is as follows: A payment on January 20, 1954 of $498,300; a payment on January 26 of the same year, $498,300; total payments for the fiscal year 1953-54, $996,600, which is roughly $1 million. There is a payment on April 24, 1954 in the

amount of $498,300 which is in accordance with the terms of the contract. I should like to amend the information I gave to him then. This contract went to the Davie Shipbuilding company. The contract was signed on November 7, 1952. The keel was laid on July 30, 1953. Launching will take place on November 8, 1954. The delivery date is expected to be May of 1955.

My friend the hon. member for Vancouver-Quadra asked for a breakdown of certain information in connection with costs relative to coastguard service. I indicated to him that this was the subject of an investigation made in 1950 and I gave him the figures which I had in my file. I told him that I would inquire about getting a breakdown. As my hon. friend knows, the chairman of that committee is no longer the chairman of the Canadian maritime commission. Another chairman has succeeded him. During the recess he made an attempt to find those costs but was unable to obtain a breakdown. He does not know whether or not they exist. However, if they exist, I will see that my hon. friend is given them by letter.

The hon. member for Prince Albert made what I thought were some valuable contributions to the debate with reference to airport developments generally, and more particularly having to do with the Northwest Territories and the northern part of Canada. I want first to thank him for his remarks in so far as the department is concerned. I can assure him that they are highly appreciated. I was struck by his statement when he said that we must provide airport facilities in the north to a greater extent. No one agrees with him more fully than I do. I wish we could provide, in the way of facilities in the north, far more than we are providing. In a moment I will put on the record just what we are doing.

The point is that when the estimates for airport development—which includes radio, meteorological and aviation services—come up for consideration, there is always a question as to how much can be allotted to one department as opposed to another. That general amount is determined by the treasury board under the supervision or the directorship of the Minister of Finance. While we, as a rule, ask for far more than we receive, it is important to note that it is not because we are not anxious to provide additional facilities that we do not get all the money necessary for their provision. I would remind my hon. friend that here is a program which is by no means a small one. It has to do with the development, as provided for in these estimates, of airports in the north country.

[Mr. Chevrier.]

At Terrace, British Columbia, we are providing a radio range at a cost of half a million dollars. At Yellowknife, as I announced on the introduction of my estimates, we are providing a new runway at a cost of three-quarters of a million dollars. At Fort McMurray we are providing a new runway at a cost of half a million dollars. At Beaverlodge, which was referred to by my hon. friend as Uranium City, there are a beacon and lighting service facilities at a cost of a quarter of a million dollars. My hon. friend knows that the airport runway at Prince Albert will cost about half a million dollars.

**Mr. Diefenbaker:** When is that expected to be finished?

**Mr. Chevrier:** This fall. The facilities at Fort Smith include power facilities and new buildings. At Grande Prairie we are installing and building a new runway at a cost of three-quarters of a million dollars; at Prince George a new taxi strip and at Sandspit buildings and power services. If you total these it comes to over $4 million, and that is a very large proportion of the amount in these aviation estimates for airport, meteorological and radio facilities. I am informed that does not include northern Ontario and northern Quebec. There is an indication there that we are not neglecting the north country.

I realize, following several visits I have made there with officials of the department, one to the Northwest Territories, how important it is for the development of natural resources and the development of the whole country to have air services because there are no other services available except the Mackenzie river and its tributaries. We have that matter very much in mind, and I can assure my hon. friend that the Northwest Territories will not be neglected in any sense of the word.

He referred to a revision of the rate structure by the air transport board. That is an important problem. Rates in the air are equally as important as freight or passenger rates on land. I presume my hon. friend had in mind both passenger rates and air cargo rates when he raised that point. The air transport board has now established a working committee with the two major air lines to study the principles underlying freight rates and to ascertain whether, in the light of the recommendations that may come from that committee, it will not be possible to revise the structure.

The hon. member for Brandon-Souris raised the question of the radio qualifications of pilots. There is a certificate of proficiency which must be obtained by both commercial air line pilots and private pilots before they

can operate their craft. In the case of the commercial pilot the certificate is much more stringent, and in the light of what has been said this evening, particularly what has been said by the hon. members for New Westminster and Winnipeg South Centre, I do not think it would be advisable to revise the certificate of proficiency so as to make it easier for a pilot to obtain such a certificate. It seems to me that the regulations of the department, which have been enacted after careful consideration by top technical men, should be maintained.

The hon. member for New Westminster brought up a number of problems which I know he will not expect me to deal with in the short time at my disposal. We consider Vancouver airport as an international airport and as one of the most important airports in Canada.

**Mr. Green:** The most important.

**Mr. Chevrier:** My hon. friend across the way says it is the most important airport. I will not enter into a discussion with him on that. I know other hon. members will have different views, but it is an international airport of great importance. For that reason we consider it as such and we are going to treat it as such. However, many of the problems with which my hon. friend has dealt cannot be discussed by me until such time as we are the proprietors of the airport. We are still discussing the terms of an agreement with the city of Vancouver. We have decided upon the price. The agreement has been revised and approved by our officers and has been sent to the city officials for their approval. I understand from the city that even the principle of the agreement must once again be submitted to the ratepayers by way of a plebiscite. Until there has been a determination by the ratepayers of that city, I do not think any comment by me would be helpful.

The hon. member for Winnipeg South Centre was kind enough to understand my position with respect to the Moose Jaw disaster. When the Minister of Trade and Commerce was asked by the hon. member for Macleod when there would be an opportunity to discuss the Moose Jaw disaster he said: Oh well, when the estimates of the Minister of Transport are up for consideration. I have no objection to discussing that unfortunate tragedy in so far as it concerns the Department of Transport. It is only in that respect that I could discuss it because there were, as the Minister of Trade and Commerce stated, reports from the Royal Canadian Air Force branch of the Department of National Defence and also from Trans-Canada Air Lines.

We received a report, which was an interim report, and that was the report to which my colleague, the Minister of Trade and Commerce, referred. I have to say this, that since the statement made by the Minister of Trade and Commerce nothing further has come to light but there is some information I can give to the house which I hope will be of some help.

I know that the house feels very keenly about this accident. Many Canadians travel by the two main transcontinental lines, T.C.A. and C.P.A., and by other lines throughout Canada. It is important that we know that every precaution is being taken to provide for the safety of passengers. I think it can safely be said that this was an unfortunate accident in every sense of the word. The air service people of the department doubt very much if the pilots of either craft saw each other. There is one thing that is certain, namely, that the angle at which the two craft were converging might well indicate that the pilot of the T.C.A. plane did not or could not see the pilot of the Harvard trainer, and vice versa the position of the Harvard trainer at the time of the collision was such that he could not or might not have seen the T.C.A. aircraft. In any event, there is nothing from the wreckage which would indicate that either pilot saw the other.

It is a fact that both pilots were very experienced men. The pilot of the T.C.A. plane had travelled over a million miles without accident. He was one of their older and more experienced pilots. I understand that the young man who was piloting the Harvard trainer was a military pilot of great experience. There is, however, a rule which obtains in the air as it does on the road, namely, that the craft on the right of the other has the right of way. However, that is subject to the exception that if the pilot having the right of way sees that there is an aircraft converging towards him it is nonetheless his duty to move off as quickly as he can. But again I repeat what I said earlier, that I believe from the report that has come to my attention that neither pilot saw the other.

Now then, in order to be helpful to the house, I should like to say that the report which was referred to by the Minister of Trade and Commerce was an interim report. He stated that the final report was yet to come, and he also stated that a special committee was giving consideration to the reports from defence, T.C.A. and ourselves. To that statement, I can add that the work of the special committee, while it has not yet been completed and I have not before me a final report, indicates nonetheless that the following points of action are being developed:

1. The Royal Canadian Air Force accepts, in principle, and is examining the feasibility of having defined training areas off the airways for use by training establishments located on or immediately adjacent to airways. In addition, it accepts in principle and is exploring the feasibility of requiring training planes to fly below 2,000 feet within airways when travelling from or to the base on the airway.

2. Hitherto visual flight rule conditions have placed primary responsibility for altitude, course, and the like on the pilot. The civil authorities have recommended and the R.C.A.F. are considering the desirability of parallel civil and military flight regulations which would provide for separation by having flights made at defined altitudes for aircraft crossing airways under visual flight rules conditions.

3. The committee has expressed its support for the existing Department of Transport program of adding approach control procedures at airport control towers now applying landing and take off controls. This primarily is a matter of obtaining and training additional staff.

4. Further improvement in reporting and liaison procedures between civil and military channels are to be developed in connection with the reporting of incidents.

5. On a longer term basis further study is to be given to procedures to be applied in matters of jet aircraft. This is not a new approach, but merely affirms something which had already been recognized and undertaken.

Much of this is technical and again is interim and is under study. I give it to the house, as it was given to me by the member on the committee from the Department of Transport. I do not think it will be possible to deal fully and finally with this matter until such time as the final report is complete. I thought I should put this on the record so the house will know that careful consideration is being given to the matter.

**Mr. Hansell:** Since the matter of the Moose Jaw air crash has been brought to the attention of the house I have been waiting over the weeks to have something to say about it. What I have to say perhaps is along slightly different lines from what has been discussed before. I am wondering whether the Department of Transport has public relations officers stationed here and there who could more or less represent the department in giving out appropriate information to the press. The Moose Jaw air crash was something that really shocked this nation. It shocked the members of this house, not only because it was an accident that happened between an army plane and T.C.A., both under the jurisdiction of the government, but also because one of our colleagues, together with his wife, went down in that crash.

I happened to be away for a day or two at that particular time and I read the news in a number of papers. It is for that reason I am asking if the government has any public relations officers. In the reporting of that air crash, I think some of the newspapers went beyond the boundaries of propriety. Such a crash as took place at Moose Jaw, shocking as it was, was a very sensitive thing to publish throughout Canada. I must say that I deplore some of the reporting of that crash. I hold in my hand a clipping and I am not going to say from which newspaper it came, even though I could. I could even give the name of the correspondent, because his name is on the byline. He is reporting what some man said about it, and this is the way the article starts:

> Moose Jaw, April 9: It rained human bodies all over. The spinning plane shook them out like a lawn sprinkler. My heart sank and I saw the trapped people were helpless. It was like a horrible nightmare. Men and women fell to earth and rolled up like balls of rags.

Then it quotes who it was who made that statement, an eyewitness. Now that may be so, and it may be the very thing that the eyewitness said. Just imagine the effect on relatives and friends of those who were the victims reading an article like that? How much would it have added to their grief and burden? Here is another report with some pictures and under great big headlines clean across the top of the page:

> Bodies drop to earth "rolled up like balls of rags".

Now, here is another clipping that I have where the headline reads:

> Identification grim task as sequel to air crash.

Here are a few lines from it; it is in a two column space:

> Men shone flashlights into the black charred heap looking for signs of arms and legs. "We have given up looking for whole bodies," one policeman said.

Farther down in the article we find this:

> "I ran to the front door. On our lawn there were three dead men and one had no head at all. More bodies were flying through the air.

**Mr. Michener:** On a point of order, Mr. Chairman, it seems to me the details we are having now are not related to the item with which we are dealing.

**Some hon. Members:** Hear, hear.

**The Chairman:** I think perhaps the hon. member might indicate how he relates these remarks to item 480 which is before us.

**Mr. Hansell:** I do not know, Mr. Chairman, what particular reason my hon. friend had for raising that point. I know we do not like to read these things. I am doing this for a purpose.

**An hon. Member:** What is the purpose?

**Mr. Hansell:** My purpose in doing it is this: I do not want any control of the press. I do not want any censorship of the press. As a matter of fact I would say that on the whole, throughout the country, the accident was reported in fairly well modified and decent terms. But the articles I have just read came from a very prominent daily paper in Canada. I say that I had rather expected that perhaps some highly placed official would have spoken out publicly and deplored that kind of report. That sort of reporting to my mind is very serious, when the nation is shocked, and when the people at home have to bear the burden, and are sensitive to such things. The press have a responsibility, and that responsibility should be met in a dignified manner, and with all reasonableness, having due regard to the sensitivities of a given situation.

As I have said, I thought that perhaps some higher official would do something on that particular point, because they must have seen this, too. As I say, I do not want censorship; but perhaps the purpose will have been served in what I have done. I am not going to ask the minister even to comment upon it. Perhaps, as I say, the purpose will have been served by having brought the matter up in what we sometimes call the highest court in the land. I do appeal to those who are in responsible positions in giving out the news to give out that news, of course, but in such cases as this to give it with the greatest possible care.

**Mr. Fulton:** I can well understand the hon. gentleman would not, in this particular case, desire to have censorship of the press, because it would have deprived him of the opportunity of relating to the House of Commons the grisly details in the manner in which he has just done it, and in a manner which makes it difficult for those of us who wish to discuss in the light of realistic sanity the possibility of preventing such accidents as this in the future. I think the hon. gentleman, who objects to giving publicity of the kind he has indicated to this kind of accident, has shown more than deplorable taste in rehashing it and giving it additional publicity.

**Some hon. Members:** Hear, hear.

**Mr. Fulton:** I can see no useful purpose to be served in adopting the approach the hon. gentleman has chosen to follow. I had wanted to follow up the matter with the Minister of Transport, with respect to the possibility of devising some regulations which might minimize the chances of this sort of thing occurring again. It probably was the sort of thing that never would occur again, certainly not in those circumstances. But I think we have to look at the situation and try to find out if there are sensible rules which can be devised to minimize the chances.

When to some extent one is dealing in the field of rumour and speculation I appreciate the difficulty the minister is in when he is asked to make a positive statement, particularly in lieu of the fact that he has only interim reports. However, we have heard that at the moment the regulations do not prescribe that the flight plans of civilian aircraft on regular routine operations should be communicated by the Department of Transport at the civilian air stations to the stations of the R.C.A.F., and by them communicated, in turn, to the pilots of R.C.A.F. aircraft. If the information I have received is incorrect, then of course what I shall say in my following remarks would not be applicable. However that is one of the rather disturbing reports we have received.

I am concerned to find out the reason for the absence of the communication of that information, why it is that the flight plans of, for instance, the regular operations of T.C.A. aircraft on regular routes should not be communicated to the R.C.A.F. stations, and by those stations communicated to the pilots or, if you like, just placed on the notice board. Certainly they should be published so that they would be brought to the attention of R.C.A.F. pilots who might be taking off from military fields in the vicinity of the regular air-line routes. And if there is a change in the regular schedule, why should not that fact be communicated to the R.C.A.F. station which, in turn, immediately would draw the information to the attention of the pilots who may be taking off on operational or training flights.

It seems to me that the regular T.C.A. flight schedules might well be posted up on the bulletin board, and instructions issued that no aircraft may take off or return to the field within a reasonable time margin on either side of the anticipated passage of a civilian airliner. And, particularly, if there is a change in a flight plan of a T.C.A. aircraft, or a delay in its flight plan, it would seem to me essential that such information should be communicated immediately by the Department of Transport authorities from the airport at which that new flight plan is filed. It should be sent to the R.C.A.F. station, and by

that station communicated to the pilots of the aircraft which may be taking off at that time.

**Mr. Chevrier:** I would remind my hon. friend that this accident occurred under perfect weather conditions, under conditions which, therefore, would bring into operation what are known as visual flight rules. Under such rules and regulations it is not necessary to file a flight plan. It is only in connection with instrument flying that plans are necessary. These plans are filed both by civil aircraft and by military aircraft as well. They are required under the rules and regulations, and the information is exchanged between the centres concerned.

For instance, if a plane is moving from Winnipeg to Regina under instrument flight rules the plan will be filed in Winnipeg. And if there is an aircraft converging on the one moving toward the west, in other words an aircraft moving east, the aircraft moving from Winnipeg will be kept away from the one coming toward him. And, over and above that, he will be in contact with the traffic centre because he is flying on what the hon. member for Winnipeg South Centre referred to as the green airway. They are designated by colours and numbers. In this case it is a transcontinental airway, one of the most important and having top priority. The aircraft would be in continual touch, first with the radio range on the airway and then when within a contact radius from the airport, would be in communication with the tower. I think that is the best answer I can give.

**Mr. Fulton:** Did I understand the minister to say that the filing of flight plans takes place only under conditions where instrument flying is necessary?

**Mr. Chevrier:** That is right.

**Mr. Fulton:** Surely, even under conditions of good visibility a civilian aircraft is required to file a flight plan, is it not?

**Mr. Chevrier:** He may file a flight plan, if he wishes. Under the regulations he is not required to if he is flying visual.

**Mr. Fulton:** It seems to me that it should be considered as an additional safety precaution. I had understood that it was already called for. My concern was to find out whether those flight plans were automatically communicated by the Department of Transport, when they are filed, to the R.C.A.F. station in the vicinity of the civil airways along which this aircraft might be flying.

**Mr. Chevrier:** They are, when filed under I.F.R.

[Mr. Fulton.]

**Mr. Fulton:** Therefore my question is: would there be any insuperable obstacles in the way of requiring them to be filed, whether there was good visibility or bad visibility, and having them communicated by wireless to the R.C.A.F. stations in the vicinity of the route?

**Mr. Chevrier:** No, there certainly would not be. But I presume that is one of the things to which this committee will give consideration. That is why, until the final report is in, I am not able to give any additional information.

**Mr. Fulton:** The other thing I ask about is whether it is now the practice for the regular T.C.A. schedules to be posted up. Perhaps the minister cannot answer this. That is why I put it in the form of a general observation. It seems to me it would be only prudent—I am told it is not the practice—for the regular T.C.A. schedules to be posted up in R.C.A.F. stations in the vicinity of the routes, and that their pilots should be instructed not to take off at least in such a way as to cross the routes at a time, or within a reasonable margin of the time, when a T.C.A. plane might be expected to be in that vicinity; and, particularly if there is a change in the schedule of the T.C.A. aircraft it should be immediately communicated to the R.C.A.F. station.

I want to make it clear that what I am saying to some extent is in the realm of speculation, because we have not complete information. I am not trying to be wise after the event and to suggest criticism which perhaps none of us would have thought of beforehand, but merely to give expression to observations and thoughts which have occurred to others besides myself, which have quite general currency at the present time, as suggestions which might help to minimize the possibility of such things occurring in the future.

**Mr. Green:** Is any move under way to have the R.C.A.F. training taken away from these larger airports in the country? The hon. member for New Westminster read an extract from a report about the Vancouver airport and the dangers there from R.C.A.F. training. By the way that danger is more from the reserve air force than from the permanent air force. Statements were made by two very prominent men in the air field. Grant McConachie, the president of Canadian Pacific Air Lines was reported as saying:

The situation is becoming a hazard.

Then, Don MacLaren, who is assistant to the president of Trans-Canada Air Lines—incidentally he was one of Canada's four leading fliers in the first war and has been in the flying field ever since the first war—had this to say:

> The first and urgent need is to try and find some other airport for R.C.A.F. pilot training, then tackle the possibility of a secondary airport for private pilot training.

Has the government in mind any plan which will bring about the transfer of training of R.C.A.F. pilots from these large civilian fields?

**Mr. Chevrier:** I neglected to answer that query which was raised by the hon. member for New Westminster, and I am glad the hon. member for Vancouver-Quadra brought it up again. Yes, there is a very definite realization of the danger of military aircraft in the vicinity of civilian airports. There are a number of examples—fortunately there are not too many of them. I can think of Vancouver as one and Edmonton as another. In the case of Edmonton, representations have been made over the last few years to move as much of the military traffic away from that airport to Namao as possible, and the R.C.A.F. has assented to that recommendation of our officials. If they have not moved it, they will do so in the not too distant future.

The position at Vancouver is somewhat different. We have asked the R.C.A.F. to try to transfer a portion of the training from there to elsewhere, and we shall continue to do that. I presume our position will be much stronger when we have possession of the airport.

**Mr. Green:** There is one other question on this item. What is the position now with regard to flying over the pole? We have had reports in the last few months of a Swedish line which wanted to fly from Europe over the pole and land in Canada and so on. Then, about two months ago there were reports in the press that Canada had refused to make an agreement with the United Kingdom for certain landing rights here en route to Australia. The minister will also remember some questions were asked in the house in March about the agreement between Canada and Australia. There was some difficulty about Canadian Pacific Air Lines being allowed to fly, I think it was a weekly service, to Australia. They were then on a temporary permit, which was to expire today, I notice by a press dispatch. Will the minister tell the committee what has happened in that situation, as well as dealing with the other two I have mentioned?

**Mr. Chevrier:** With reference to the flight across the pole, no application has been made to the air transport board by the Scandinavian airlines to fly a route across the pole. They would have to make an application to the air transport board because I understand it was their intention to come down at Edmonton. The application has not been made, although I understand it will be forthcoming some time because they have to clear with the United States. I understand the application covers places such as San Francisco, and/or Seattle, Edmonton, Greenland or Thule and perhaps the United Kingdom and then on to Copenhagen. I presume before they make their application they want to have their licence or an intimation from the United States that they will get the licence. So far no formal application has been made to the air transport board.

With reference to Australia, it is true that Canadian Pacific Air Lines is flying to Australia on a temporary permit only, and the same can be said of the Australian airline, formerly British Commonwealth Pacific Airways now owned and operated by Quantas Airways, into Vancouver. Both are on the same footing and that is where the matter rests. My hon. friend asked another question?

**Mr. Green:** Yes, about the failure to reach an agreement with Britain.

**Mr. Chevrier:** The question of the British agreement was dependent, of course, on whether the position of the C.P.A. would be affected. The British were seeking a continuation of their route from London to Canada on to Vancouver and the Orient via Montreal and Vancouver, with a stopover at both these places. In other words, fifth freedom rights. The government gave consideration to that application, but it had also to give consideration to the views of C.P.A. and T.C.A. because both airlines would be affected; T.C.A. because of fifth freedom rights at Montreal, and C.P.A. because of fifth freedom rights at Vancouver, and it has not been possible to arrive at any decision by way of favourable consideration of that route thus far. What could be considered would be the route from Tokyo to Vancouver with no rights beyond Vancouver for B.O.A.C., but I understand they are not interested in that. In any event I would not like to go further than what I have said now because the talks are not yet completed. When the British minister of transport left here it was on the understanding that I would communicate with him once again as to the views of the government, once we had given consideration to C.P.A.'s point of view. When we

were able to do that the government replied to the British minister of transport and since then we have received no statement from him.

**Mr. Green:** Why was it not possible to reach an agreement with Australia? What is the difficulty there?

**Mr. Chevrier:** That is a rather difficult question to answer. I suppose when a country cannot get air rights in another country it is because that country is reluctant to give them. For instance, if we were asked for certain rights in Canada by a foreign air line and we opposed them straight away because it would have seriously affected both T.C.A. and C.P.A., that country might well say it is unable to reach an agreement with us, but that is because it has nothing to give us, or at least nothing in which we are interested. But that country desires traffic rights here which might affect our air lines. I can only answer the question with reference to Australia in that manner. It may be that Australia feels that its lines will be affected by competition from C.P.A.

**Mr. Green:** But there is a temporary permit given in each case. Why cannot some permanent arrangement be worked out? Why do they have to carry on on a temporary basis?

**Mr. Chevrier:** It is certainly not because we did not try. Our officials spent several weeks in Australia discussing this with the Australians and were unable to convince them that they should grant a weekly service to C.P.A. However, we are still in discussion with them on that.

**Mr. MacLean:** Mr. Chairman, I listened with considerable interest to the statement the minister made regarding the report of the accident at Moose Jaw, and the changes tentatively contemplated in regard to flying regulations. I asked the minister for a statement on that matter when his estimates were last considered on June 2, and I am very pleased with what he has had to say tonight.

Among the things he suggested should be considered was the possibility of making regulations which would require pilots flying across airways to fly at a certain definite height even when flying under conditions of clear visibility. I think such regulations apply now to instrument flying conditions, and I think it would be a reasonable regulation to put into force. The same result could be gained, of course, by requiring aircraft crossing airways to do so only under 2,000 feet, as the minister has himself suggested.

One factor which I hope will be kept in mind is that for regulations to be satisfactory they must be as simple as possible so that on the one hand they will reduce to a minimum the possibility of such accidents recurring, but that on the other hand they will be sufficiently simple that they will be strictly followed and will cause a minimum of inconvenience to both civil aircraft and the training operations of the air force. With that in mind I think a method can be worked out whereby the possibilities of such accidents recurring can be reduced to a minimum so that they will be unlikely to occur in future.

It has been suggested that the training establishments of the R.C.A.F. should be moved from civil airways. I think that where this is possible it would prove to be an excellent idea, but I think also that if suitable regulations are made and carefully followed it is possible for both operations to be carried on at the same place.

**Mr. Diefenbaker:** Mr. Chairman, with reference to the matter which I raised just before the adjournment, namely, the need of providing necessary runways and airports in northern Canada, both as a contribution to the opening up of the country to development, and also for defence in future, the minister has pointed out the difficulty he has encountered due to the fact that the estimates which are presented by the various departments are necessarily pared down. I can understand that under normal circumstances, but I believe too small a percentage of the total amount being expended in this country for all purposes is being expended on behalf of the development of our resources both by direct and indirect means.

I have no statistics before me at the moment, but last year I ascertained that for every one hundred dollars expended in Canada for all purposes by the government not more than 60 cents is devoted to expenditure whose contribution would be designed directly or indirectly toward aiding the development of our resources.

The minister mentioned that some $4 million was being expended this year in connection with airport development and runways in various parts of northern Canada, and he mentioned particularly what is taking place in British Columbia, Alberta and Saskatchewan. He also stated that further amounts were being expended in northern Ontario and Quebec, the figures for which he did not give the committee.

I would ask him whether in the general plan, which must be a plan to be extended over a number of years of development, there is in existence today a plan in his own department, or in co-ordination with other departments, whereby certain areas in northern Canada have been designated as those in which future development in connection with airways and the like may be expected.

He mentioned the fact that in northern Saskatchewan runways are being proceeded with at Uranium City or Beaverlodge. I ask him as well whether he would tell the committee what are the future plans. After all this cannot be a plan to be completed in one year. It must be one that extends over the years and permits of that development in northern Canada which I believe is being denied today because of the failure to expand airports and in particular runways sufficiently for the needs and requirements of the moment in those areas where railway and water transportation do not exist. I feel that this is a matter of tremendous importance.

In the old days—and we can all look back to what were the old days of the thirties—the bush pilot used to go into the northern parts of the country without instruments—flying by the seat of his pants, as it was said at the time—and open up that country. Today, however, airports are necessary. In the western provinces—and I speak particularly of them—we have potential mineral developments as a result of which we may well expect, as I said this afternoon, within the next five or six years to have available to us uranium in quantity greater than that to be found anywhere else in the world. In addition, the other basic metals are being found in ever-expanding measure. The geiger counter is everywhere. However, one of the difficulties that is being experienced is with transport into that country, not only of individuals but also of the necessary machinery and equipment. That is why I pressed upon the minister this afternoon the necessity for a general plan being evolved to permit of a development which otherwise will be indefinitely postponed.

My friend the Minister of Mines and Technical Surveys is in the chamber at the moment. I am sure that this is a matter that would be of interest to him. I should like to hear from him for, as he is speaking to the Minister of Transport, apparently he has something in mind. What are his plans? What is going to be done to achieve that development which will otherwise be denied? However great may be our mineral resources, so long as they are in the soil, so long as they are concealed, so long as they are potentially there but undeveloped they will not go far to assist in arming the various nations within NATO or in the preservation of our freedom.

I want to thank the minister for the explanation he has given up to this moment but I should like him to go further and give a picture of what his department, in co-operation with other departments, intends to do over a period of years. What is its target? What is the general concept of the development that is necessary and what is to be done to assure that the north country, with all its vast resources, will be made accessible so that those who wish to risk their capital and those who wish to explore and to prospect will have an opportunity to do so under auspices provided by the state, giving to the individual the opportunity of developing the country while providing those instruments such as airports and the like, without which the development cannot be achieved?

**Mr. Chevrier:** Mr. Chairman, let me say first of all to my hon. friend that I do not think he is quite fair in his statement that the north country has not been treated adequately in comparison with the rest of the country, in view of the statement which I made earlier and which certainly indicates that the Northwest Territories have received a fair proportion of the expenditures in these estimates. Certainly they have received far more than I have ever been able to bring down since I have been in charge of the air service here.

My hon. friend asks for a plan. In reply I would tell him this. To indicate now or at any time what is in the mind of the department is a difficult thing to do. It is as difficult to do that for the northwest as it is for the rest of Canada. It is as difficult to do that for the northwest as it is for Gander or Vancouver or for the main transcontinental airports of Canada. The reason for that difficulty is that air facilities are moving and changing at such a pace that any plan made today might not be suitable tomorrow. Because of the development of the jet and the turbo-prop I think it is quite clear that if we had proceeded to make a plan for any part of Canada having to do with piston engines, we would have had to change it. We had certain definite plans for the transcontinental airports of Canada but they had to be changed considerably, not only with reference to the new developments in aircraft but also in the radio and meteorological fields. For instance let me tell my hon. friend this with reference to the instrument landing systems. They were to be in practically every airport of significance in Canada. I think there are some 24 or 25 such systems. Before long they may all be obsolescent—and they cost a considerable amount of money—because of the coming into effect now of the ground control approach. That is only one indication of what happens in the radio field.

In the field of runways, the situation is this. Where years ago you could land a plane on a strip of gravel you now cannot land the heavier craft on that kind of strip. Runways must be built of asphalt. They must be

strengthened, widened and lengthened. That is why it becomes increasingly difficult to make any plan. I know that it will be the aim of the Department of Transport officials to provide in the various parts of Canada all of the facilities they can provide having regard to the money at their disposal. It may be that in certain isolated parts of Canada we cannot get there as quickly as we should like. But the moment that natural resources are developed and assistance is sought by the province, by the company wishing to develop the resources or by air companies using the area, we seek to give them the necessary facilities—with the approval, of course, of treasury board—as quickly as we can. I think that what I have placed on the record now with regard to the northwest is certainly no indication that we have neglected or intend to neglect that part of Canada.

Item agreed to.

Airways and airports—radio aviation services—

*481.* Construction or acquisition of buildings, works, land and new equipment, $2,279,517.

**Mr. Hansell:** I have a question or two I should like to ask the minister on this item. These questions were asked yesterday of the Minister of National Revenue when we were discussing the Canadian Broadcasting Corporation, and the minister answered that they rightly came under the Department of Transport because they were affected by the licensing authority. There are two questions I wish to ask.

I understand that when radio or television interests desire to construct a transmitter they are not permitted to use what is known as composite equipment. I understand that in Canada no transmitter will be licensed unless it is manufactured by one of the standard equipment companies. In the brief I have in my hand an illustration is given of television equipment that was erected in the United States. Ordinarily it would have cost around $150,000 if purchased from a standard equipment company. The engineers of this particular station erected their own equipment. They assembled it and perhaps manufactured certain parts. They did the job for approximately $80,000. I do not know that those figures would be altogether comparable in Canada, but it means that as long as those who are erecting transmitters for radio or television stations are compelled to go to standard equipment companies and are not allowed to use their own engineers to assemble and make their own equipment they will have to pay a whole lot more money than otherwise.

I should like to know from the minister why that regulation exists. I can quite understand that we have to have some sort of inspection service. We have got to be able to inspect the equipment of radio and television stations in order to make sure that it complies with the Radio Act and also to prevent it from interfering with other stations, and so on. But if I may say so it does seem rather harsh to me that radio engineers who are competent to build equipment should be forced to go to the standard equipment companies for their requirements. Their equipment is good and I like to see them do business, but I do not see why the licensing authority should insist that the equipment be purchased from standard equipment companies.

While I am on my feet I might as well ask the further question which I asked last night. Radio and television stations in Canada are not permitted to operate or build what are termed pick-up stations that make use of a pick-up antenna at high level. If they were allowed to do that they would not have to pay for the expensive telephone line services that are required in Canada today. It is a good thing to use the telephone services that are available, but from this same brief I understand that in the United States—

**Mr. Pickersgill:** I am rising on a point of order. Is it not possible to have short questions on these estimates instead of a long speech on every item, and sometimes four or five long speeches?

**Mr. Hansell:** The Secretary of State seems to be aggravated when anyone in this group rises to speak. I will answer the question. It is possible to have shorter questions, but I am not going to have him attempt to take away my privileges in the house.

**An hon. Member:** It is an abuse of privilege.

**Mr. Hansell:** It is not an abuse of privilege at all. I am explaining my question. We are just taking that much more time.

**An hon. Member:** Oh, the small boy!

**Mr. Dickey:** Pick up your marbles and go home.

**Mr. Hansell:** I understand that radio stations in the United States can save approximately $40,000 a year by using what is known as the pick-up system which does away with the use of the lines of the telephone and telegraph companies all the time. I have asked these two questions. They are important because they involve the radio and television industry in Canada.

**The Deputy Chairman:** Before the minister replies, I did not interrupt the hon. member

for Macleod but the remarks he has been making all pertain to item 482 which deals with the Radio Act and regulations. Item 481 has to do with airports. May I take it that item 481 is carried?

Item agreed to.

Radio act and regulations (including the former suppression of radio interferences)—

482. Administration, operation and maintenance, including contributions as Canada's share of the administrative costs of various international radio, telegraph and telephone conferences, as detailed in the estimates, $1,617,445.

**Mr. Hansell:** I thought I was on the right item.

**Mr. Dickey:** You would not know.

**Mr. Chevrier:** May I deal with the answer to my hon. friend's question about the construction of transmitters and the difficulty of using composite equipment unless it is manufactured by certain standard companies. I do not know that that is exactly the position. In any event the equipment which must be used with reference to these channels must of necessity be of the highest possible standard. There are 3,000 stations and some 105 or more channels which makes it essential that equipment be of a high technical standard and of the best quality. The departmental officials recognize that technical equipment of a certain brand and type is that which is required, and that is why we have adhered to those standards.

With respect to the other question having to do with the pick-up system, if we were to adopt that system it would require far more channels than we have at the present time. As my hon. friend knows, the channels are allocated by international convention. We are short of channels for Canada so that if we were to adopt that suggestion we would have to seek to obtain more channels.

**Mr. Herridge:** I shall be as brief as I can, but I want to produce certain evidence in support of my argument. I rise particularly to bring a matter to the attention of the house which I have been asked to raise by a number of organizations in my constituency and a considerable number of individuals. I am referring to the fact that during recent years the Consolidated Mining and Smelting Company has built a power line from their plants on the Kootenay river along the shore of Kootenay lake over to Kimberley.

Everyone in the district recognizes the advantages of the power line to the district by increasing industrial production and by bringing power and light to communities that did not have power and light before. However, since this power line has been built there are hundreds of residents in my constituency, particularly along Kootenay lake between Nelson and Creston, who have suffered from excessive radio interference. I have been present when people were trying to get programs and there has been apparently a zone of interference on both sides of the wires. These old settlers, many of them have been there for 40 or 45 years, are now denied their rights as citizens of Canada to listen to the radio without interference.

This has annoyed these people to such an extent that various organizations have held meetings, discussed the matter, passed resolutions and forwarded those resolutions to me. I have received letters and resolutions from the Crawford Bay women's institute, Boswell and district farmers' institute, Boswell and district women's club, Gray Creek women's club, and a number of individuals who are old settlers in that district. These people are very annoyed at this situation, and I am conveying their annoyance to the minister. Now, with respect to this I did what I usually do, I wrote to the official most directly concerned, and in that case it was Mr. E. Turner, radio inspector at Kelowna, British Columbia, mentioning that I had this complaint and there seemed to be sound justification for it. I asked him if he would have the matter investigated. They had the matter investigated, and I quote Mr. R. A. Coles' reply:

Dear sir,

1. I wish to report the results of our investigation made at your request to our Mr. E. Turner, radio inspector, Kelowna, B.C., into the radio interference encountered by your constituents in the Gray Creek area from the Cominco power line to Kimberley.

2. In this respect, arrangements were made for our chief interference inspector to accompany Mr. Turner on this investigation due to complications liable to be encountered. The investigation was carried out between April 7th and April 9th, with the co-operation of Mr. Lee, general manager, West Kootenay Power and Light Company, Trail.

3. It was discovered that the cause of the interference originated in the transmission line which conveys power at 171 kilovolts from South Slocan to Kimberley. Rather severe interference is caused to the majority of the residents at Crawford Bay, Port Crawford and Gray Creek.

4. Signal strength readings were taken by our inspectors of stations CKLN, Nelson, CJAT, Trail, KHQ, KGA and KNEW at Spokane and were found to be below the average receivable signal strength.

5. On this account and due to the fact that we know of no economic cure for the interference from this transmission line, we feel that too much blame cannot be placed on the power company. We do feel, however, and would recommend, that the residents of these areas could overcome this difficulty appreciably in taking their own action by installing a more efficient type of aerial for their receivers and they should obtain advice in this regard from their equipment suppliers.

6. We regret to have to report to you that no improvement in this situation has been possible

from our investigation and that we must place the onus for any action to be taken on the members of your constituency.

Then, after receiving that letter, I wrote to Mr. W. A. Caton, chief inspector, regulations section, telecommunications division. The letter reads as follows:

Dear sir,

I would appreciate receiving a copy of any regulations that cover the question of radio interference occasioned by industrial operations, machinery, household appliances, etc., etc. I would also like any information you can give me concerning the duties of radio inspectors, particularly with reference to radio interference, and what action is taken by your division to enforce the regulations with respect to radio interference caused by any company or individual.

Well, I did not hear from Mr. Caton. Apparently, Mr. Caton is a rather cagey individual and realized that this was something that had to be dealt with at a high level. On May 20, I received the following letter from the minister:

Dear Mr. Herridge:

I have your letter of May 8th, addressed to Mr. W. A. Caton, chief radio inspector, concerning the regulations for controlling radio interference. These regulations were issued in 1941 under authority of section 23 of the Canadian Broadcasting Act, and a copy is enclosed, as requested.

The duties of radio inspectors while engaged in interference work are as follows: The tracing and locating of sources of interference, the development and application of remedial measures and enforcement of the applicable regulations; routine office duties and maintenance in conjunction with the above.

Usually it has been found that the tracing of interference to its source by a radio inspector has resulted in the owner or user taking immediate action to eliminate the condition causing the interference.

Furthermore, in that respect I want to quote briefly from the Department of Transport report, 1952-53, at page 152. There is the heading "Suppression of inductive interference", and I presume that is the same thing about which these people were complaining. It reads:

Fifty-four cars are equipped for the investigation of interference and operate from the permanent inspections offices located in 25 cities throughout Canada. The inspector in charge of each car, with his assistant, investigates reported cases of interference throughout his district, and also monitors receiving conditions during routine patrols. The complainants are interviewed by the investigators, who trace the interference to its actual source. The inspector then advises the owner of the offending equipment how to suppress the interference and, where necessary, conducts appropriate tests.

Then, farther down, the report states:

The co-operation of industry with our radio inspectors has been so satisfactory that up to the present it has been unnecessary to resort to legal action in any cases.

[Mr. Herridge.]

My point is this, Mr. Chairman. I might say the minister sent me a copy of the regulations which I appreciated. In those regulations I see there is provision for a fine if a person does not comply with the regulations and the instructions of the radio inspector. I am not blaming the inspectors. They are doing their duty, but in going through our district I have had it brought to my attention that the radio inspector went into a blacksmith shop in a small village near where I live. The blacksmith had a motor that was causing some interference. He was advised that if he did not correct this situation he would be liable to a fine. There was a man who operated a little carpenter shop and some of his motors were causing interference. He was advised that if he did not correct the situation, he would be liable for a fine. Then, there was Mrs. Muggins with a washing machine or something of that kind that did not work well and she was told she would be liable to a fine if it were not corrected.

My point is this. Why this distinction between a company or large corporation and a small company or private individual? I do not agree with that, Mr. Chairman. My constituents take very strong exception to it, and I should like the minister to explain why a company has to be dealt with at ministerial level, according to regulations, but a small person can be badgered by an inspector. I do not believe that conforms to our conception of justice, and I am always one of those who get their dander up when they see the little person being tramped upon. According to these regulations, it depends on whose ox is gored. I do ask the minister to explain this to us.

I suggest that the people I am representing are most reasonable, but you can understand that if you have lived in a particular area for a number of years and then find your evenings being upset because of these wires you would get upset. I am presenting their upset to the minister. I do ask the minister to look into the matter and see if, as a result of co-operation between the department and the company and the residents concerned, some way may be found to overcome this situation. I do not know enough about the technical aspects of the question, but surely the Consolidated Mining and Smelting Company is wealthy enough to provide the small gadgets necessary to overcome this interference. However I ask the minister to have this looked into, to see if there cannot be a co-operative arrangement between the company and the department which would make it possible for these people to receive normal radio reception.

**Mr. Chevrier:** I shall be glad to do that.

**Mr. Robinson (Bruce):** Mr. Chairman, when you switched the hon. member for Macleod from item 481 to 482 I think probably I got sidetracked in the remarks I was going to make about item 481. If I can go back that far, I should like to proceed.

We have a condition in Bruce county which is giving grief to a lot of the citizens. Our two radio stations have to change their directional beams at a certain hour in the evening. I had a few questions answered on the order paper some time ago. They were technical questions, but they did answer those questions very well, I think. What I would like to know is this: Is there a chance of permitting those and similar stations to use more of the power for which they are licensed or, if that is not possible, is it possible by international agreement to have some of the American stations cut down their power in the evenings, when it is beamed in our direction.

I can say that I know people who live within twenty-five miles of Owen Sound who cannot get the news broadcast at ten o'clock. In fact, one very reliable gentleman told me that the only night news he can get is from American stations. I am wondering if there are many stations in that position throughout the country and, if so, if there is any solution for the difficulty.

**Mr. Chevrier:** There are not many such stations. The question of power is regulated by the C.B.C. It is the C.B.C. that determines the power a station is to have; and when a recommendation comes to us we can license it only for that amount of power, and for no more. It is possible for a station to make application for additional power, but that must be made to the C.B.C., and it may well be that in the Department of Transport we would object to it because of the international agreement.

That perhaps is the case in the circumstances my hon. friend has described. There are a number of stations which, because of the international agreement, must be given a certain amount of power, and no more. That applies not only in Canada but also in the United States, Mexico and the whole of the North American band. All the stations are bound by a regulating authority which, in our case, is the C.B.C.

**Mr. Robinson (Bruce):** Is there any possibility that the power United States stations direct toward the north at night is stepped up to a point higher than our local stations are allowed to direct toward the south? Is there any possibility of that? I am led to believe that the Americans are given more leeway in their night broadcasts than we are in Canada.

**Mr. Chevrier:** I understand there is no such possibility, because they operate in accordance with an international understanding, and international rules and regulations laid down at the conference known as NARBA—North American regional broadcasting agreement. It is possible, as it meets from time to time, to consider this question. When they do meet in these international conventions our people are always anxious to see if stations, such as those the hon. member has mentioned, are not able to increase their power. It is under constant study.

**Mr. Robinson (Bruce):** If the stations to which the minister has referred did apply to the department in Ottawa for an increase in power would there be any possibility that the department might give that district closer inspection, and try to relieve the condition.

**Mr. Chevrier:** Yes, there is.

**Mr. Bryson:** Mr. Chairman, I would like to say a word or two about the subject introduced by the hon. member for Kootenay West, that of radio interference. This is one of the very few subjects in which I have had some experience. Perhaps society would consider me as one of those people who constitute a real menace—and I do not mean because I am a C.C.F.'er, either. I am a radio amateur operator. As such I have had some experience with radio inspectors and power lines people, so far as this problem of interference is concerned. I believe we cannot cope with what I consider an insurmountable problem of radio interference. A radio inspector can go out on the road and find the cause of some condition that is affecting someone's radio and in a matter of minutes something else interferes. There are motors, X-ray machines and many other electrical gadgets causing this interference.

I believe we are using the wrong approach, and that we will never solve the problem in this way. I do believe however that there is one thing could be done which would go a long way towards solving it. In my view we have to go back to the manufacturers of radio receivers; I believe that is the only solution. That is where we should start, because it will not be solved any other way. So long as radio manufacturers are going to build cheap AC-DC receivers we are not going to have anything but trouble.

But it could all be fixed. There could be many things done to these receivers to overcome the interference. For instance, filters could be installed. I have done it myself on

many occasions, where I have succeeded in filtering out noise. But the manufacturer, of course, is not prepared to spend the extra 35 or 40 cents to do this. I maintain that until these manufacturers are prepared to co-operate with the Department of Transport there can be no solution of the problem.

So far as I am concerned, from my experience in the last 20 years it is just a waste of the taxpayers' money to go around trying to find out these pieces of electrical equipment that are causing the trouble. I would like the minister to inquire as to whether there could not be some co-operation by these radio receiver manufacturers. If these companies are going to build the junk they are turning out in the form of AC-DC receivers there can be nothing but trouble. I would like to see some co-operation between the manufacturers and the Department of Transport.

**Mr. Chevrier:** I shall bring the matter to the attention of the department.

Item agreed to.

Radio Act and regulations (including the former suppression of radio interferences)—

*483.* Construction or acquisition of buildings, works, land and new equipment, $286,085.

**An hon. Member:** Ten o'clock.

**Mr. Herridge:** Mr. Chairman—

**The Deputy Chairman:** Is the hon. member for Kootenay West referring to item 482?

**Mr. Herridge:** I was going to ask the minister if he intended to reply to my request.

**Mr. Chevrier:** I understand my hon. friend asked if I would look into the matter again, and ask the officials to communicate with the owners of the power line. I said I would do that. I did not know there was any other answer I could make.

**An hon. Member:** Ten o'clock.

**Mr. Harris:** Mr. Chairman, I appreciate the fact that this is Friday night and that we have had a long and a rather heavy week. But, as I think hon. members know, the Minister of Transport has a good deal in the way of estimates left, and there is legislation for Monday. I was wondering if we could continue a while on the estimates with a view to disposing of as many as possible of them.

**An hon. Member:** How long a while?

**Mr. Hansell:** Mr. Chairman, if I might say a word—

**An hon. Member:** Two words.

**An hon. Member:** Ten o'clock.

**An hon. Member:** Oh, pipe down.

**The Chairman:** Order; the hon. member for Macleod may proceed.

[Mr. Bryson.]

**Mr. Hansell:** Mr. Chairman, one would like to co-operate with the house leader in this respect. Not so long ago the Secretary of State rose and took me to task. I had not been speaking more than a minute before arriving at my question, and he rose and asked why I could not ask my question without making a speech. The hon. member for Kootenay West and others have spoken.

**An hon. Member:** That is their privilege.

**Mr. Hansell:** That is their privilege and I am glad to hear it. I resented that very much.

**Mr. Macdonnell:** Quite right.

**Mr. Hansell:** The Secretary of State now comes along and wants us to give consent to sitting after ten o'clock.

**Mr. Pickersgill:** Mr. Chairman, I should like to apologize to the hon. member. I did not mean what I said to apply to what he was saying at all, but it did seem to me there had been a lot of long speeches. This is about the third or fourth day that this department's estimates have been before the committee. If I said anything to hurt the hon. member, I withdraw it at once and I apologize for it.

**Mr. Hansell:** I appreciate that very much indeed. I do not want to hold up the work of the committee at all, but I did resent that sort of thing. A lot of interruptions came from over here. I will leave it to my leader to say whether he wants to consent to continuing.

**Mr. Low:** As far as we are concerned, we are prepared to go along and help to get through the work of the house.

**Mr. MacInnis:** How long are we going to sit?

**Mr. Fulton:** How long is a while?

**Mr. MacInnis:** Last night we were asked to sit for a few minutes to let the hon. member for Lethbridge say something. I knew it would not be a few minutes. We have several items left. I imagine there will be a debate on most of them. The Secretary of State may object to members on the opposition side of the house making speeches, but what is it we are supposed to be sent here for? We were sent here to oppose the government, and we cannot oppose the government without making speeches. Probably I am not carrying out my function as a member of the opposition, but we have had a busy week and we are all becoming frayed. Probably we would make more progress by adjourning now and going home.

**Mr. Harris:** Mr. Chairman, I purposely stayed out of the debate in order to meet the wishes of hon. members opposite about how long we would sit, because they are accommodating us in going beyond ten o'clock. I do not want to put any restrictions on them. I do think, however, because we have had quite a long general debate on the first item, and since we have covered a good many of the items in other ways as we have gone through the items, there will be less time spent on the succeeding items. I think the minister has been most accommodating in making his answers. We might go on to such time as meets the wishes of the hon. member for Vancouver-Kingsway and perhaps we could get some items through in the meantime.

**Mr. Fulton:** The minister should not be in too great a hurry to get into the St. Lawrence seaway. We would like to have him around here for a while.

**Mr. Nicholson:** We have had a number of the officials from the department here for some time now. We have not worked too long a week; it has only been 37½ hours, and I do not think another half hour would hurt us.

**The Deputy Chairman:** Is it the wish of the committee that we continue?

**Some hon. Members:** Agreed.

Item agreed to.

Radio aids to marine navigation—

484. Administration, operation and maintenance, $2,456,995.

**Mr. Murphy (Lambton West):** I do not know whether a member has to apologize now even for making a comment. What I am going to discuss does not involve millions or hundreds of thousands, but it does involve something quite serious. A farmer in my riding in the town of Camlachie agreed to sell some 50 acres of land to the department for the purpose of post radio stations. There has been some delay. That goes without saying, since this is June, 1954. It is true that there was never entire agreement on the terms, inasmuch as there seemed to be some misunderstanding between the owner of the farm and the people with whom he was dealing. In the ordinary course of events of closing a small deal these differences could have been overcome in a short time.

**The Deputy Chairman:** I realize the committee is sitting by consent. Might I submit it would be of great assistance to the member who is speaking and the minister who is listening if we could hear the member who is speaking.

**Mr. Murphy (Lambton West):** The small differences that existed between the purchaser and the vendor could have been taken care of in the usual course of settling a transfer of this size. Anyone who has had any experience in business would appreciate that it could have been done inside of a couple of months. There was some question of drainage and the leasing of the property, and that sort of thing. Apart from all these difficulties, there was nothing that could not be surmounted in due course. I do not mean that it could have been done in an hour and a half but I personally am amazed at this glacial speed in closing a deal involving such a small amount, especially since the department has taken possession of the property and has erected the required buildings on the property, and has had them there for some months.

There were two oil leases on the property that had been on for several years. One was with the Imperial Oil. The release or discharge of that lease could have been obtained in a matter of days. The other one was with someone whose address was unknown. Any lawyer practising in Ontario appreciates that the release or discharge of that oil lease could have been obtained by a court order in a matter of a few days. To me this is a disgraceful revelation of procedure, and there is no excuse for it. There is no excuse for the delay on the part of the department.

As I said, there was some disagreement and the department threatened to take expropriation proceedings. I also appreciate that they agreed he would have the property, and all that sort of thing, for one year. But all these things could have been determined within at least a couple of months. In case there is any doubt in the mind of the minister I want to draw to his attention a letter which I have here from a well-known and capable lawyer in Sarnia, Mr. Knox, who has an excellent reputation and I am sure expedites any matters of this sort that he has in hand. This letter is dated January 15, 1954 and is addressed to the owner of the property, Mr. Howard R. Jackson, and reads:

Dear Mr. Jackson:

I have now received a reply to my letter which was written to the department some months ago.

I do not intend to quote any further. This letter distinctly says that he had received a reply to a letter which was written to the department some months ago. I do not think there is any excuse for that type of business being done by a department of the government and I make no apology for bringing this up. I expect the minister was not acquainted with this.

As I said this afternoon, I do not expect any minister of the government could possibly be familiar with every bit of business that goes through his department. That is physically and mentally impossible. Nevertheless, he is responsible for his own department and I am sure the minister, as a lawyer, would regret that there has been such a delay. I think that had it reached his attention months ago the difficulties might have been solved.

I wrote to his parliamentary assistant some six months ago in the hope of having this matter expedited, but now, some 17 months after the deal was initiated, proceedings are commenced to obtain the discharge of these leases. I do not think there is any excuse for that. I am satisfied that if the department carried on all its business in that fashion there would be many regrets, not only in the government but among those in the opposition.

I hope, Mr. Chairman, that there are no other cases such as this in Canada. If this is the way in which the department conducts its affairs in purchasing property from individuals, then I think it is about time it turned over a new leaf and conducted its business in the way it should be conducted, and as is expected by those who deal with the government.

**Mr. Chevrier:** Mr. Chairman, unfortunately there are cases of delay such as this which crop up in the departmental expropriation procedure from time to time. I am not aware of the difficulties which my hon. friend has raised, but my parliamentary assistant is and he has brought them to my attention. The matter which has caused the delay is a cloud on the title. The title, I understand, has to do with certain oil rights of Imperial Oil Limited, and it was not possible, so I understand, for the department to obtain title to the land. I understand, however, that recently the Imperial Oil surrendered their rights. If that is the case then that would involve quite a legal problem which is not very easy to determine, and I would ask my hon. friend to recall that it is not the departmental officials of the Department of Transport who determine the legal position, but the Department of Justice. We seek the advice of the Department of Justice because, of course, they are our legal advisers. I am informed that the matter has practically reached the point where it could be liquidated and I feel, from the information I have at hand, that it should not be delayed any longer.



**Mr. Murphy (Lambton West):** So there will be no misunderstanding, Mr. Chairman, I might say, with all due respect to the minister, that I do not think any effort was made by the department in Ottawa which was responsible for obtaining this legal advice and having the work completed. They did not make contact with the people who had the leases until some 15 or 16 months after the initial agreement to purchase the property. However, I am glad to hear the minister say that the matter will be finalized very soon.

Item agreed to.

Telegraph and telephone service—

*486.* Administration, operation and maintenance, $591,603.

**Mr. Fulton:** Mr. Chairman, I want to raise again a matter which the minister and I have had under discussion before. This matter concerns a number of members from British Columbia from this side of the house as well as, I think, hon. members on the other side. It relates to the terms of sale of the government telegraph and telephone service in British Columbia to the Canadian National Telegraphs and the British Columbia Telephone Company respectively. There were two matters here of concern to all of us who come from areas which were served by that system. One was the question of the continuation of service to the subscribers to the government service, and the other was the provision for the continuation in employment of the employees of the system.

We had two quite lengthy statements from the minister outlining the arrangements made in both these fields on Wednesday, March 24, and Thursday, March 25, during this session, and I think it fair to say without prejudice —and perhaps I should put in that cautionary word—that with respect to the terms regarding the continuation of service there seems to have been adequate arrangements made to protect the interests of the subscribers to the government system.

We had hoped that the situation with regard to the continuation of employment for the employees of this service would prove to be equally satisfactory. But I regret to say that from information I have received direct from those concerned there seems to have been some bitter disappointment experienced by the men who have tried to make satisfactory deals with the private companies which have taken over the service.

When the minister made his statement on March 24 he informed us that the British Columbia Telephone Company had made

arrangements which were quite satisfactory with regard to the employees of the telephone branch of the system. I refer to his statement as reported at page 3310 of *Hansard* for that date. But perhaps first of all I should point out that he described to us the terms under which they would be taking them over with respect to seniority in the B.C. Telephone Company employment, and he then dealt with the question of superannuation pension rights. It will be appreciated, Mr. Chairman, that to men of this type who have put in up to 30 years faithful service in the government service, and have now reached the age when superannuation and retirement is quite imminent, the matter of superannuation rights is one of very great importance.

**Mr. Chevrier:** May I ask the hon. member a question? I wish to follow quite clearly what he is saying. Is he dealing now with the sale from the government to the British Columbia Telephone Company and not with the Canadian National Telegraphs?

**Mr. Fulton:** I was not dealing with the Canadian National Telegraphs at the moment. I was dealing first with the British Columbia Telephone Company.

**Mr. Chevrier:** Then am I right in assuming, because I was certainly under this impression, that the hon. member was perfectly satisfied on a previous occasion, for I believe he intimated that he was satisfied with the arrangements made by the government with respect to the sale made to the British Columbia Telephone Company? Is that not a fact?

**Mr. Fulton:** That is correct, Mr. Chairman. I indicated to the minister that I felt the outline he had given us of the sale to the British Columbia Telephone Company and the terms on which that company indicated they were going to take over government employees was quite satisfactory. But my point is that recent correspondence I have received indicates that the understanding I had formed, and I think possibly the understanding the minister had formed, of the arrangements to be made either was not correct or the undertakings are not being carried out.

**Mr. Chevrier:** I have never received any information to that effect with reference to either part of the deal.

**Mr. Fulton:** I confess this came to my attention and I assumed it would be taken up with the minister by the telephone branch employees in the same way as a certain situation with regard to the telegraph branch employees had been.

**Mr. Chevrier:** It certainly comes to me as a surprise but I will be glad to look into it.

**Mr. Fulton:** I am glad to hear that and I will outline the case very briefly. As regards the minister's statement at page 3310 of *Hansard* with reference to the arrangements for superannuation rights made with the B.C. Telephone Company, I have received this letter from one of the employees which indicates that the wages are slightly better. It indicates also that those employees who are over 45 years of age—and the figures are given as follows: two in Ashcroft, one in Alexis Creek, one in Bella Coola and all three in the Williams Lake district at the 150-Mile House; that makes a total of seven —have been asked to sign waivers of pension rights and other benefits given by the B.C. Telephone Company to their regular employees, and this is protested as being discrimination. They go on to point out that they were given no information before this deal as to what the status would be on being taken over by the B.C. Telephone Company or whether they had any choice of remaining with the civil service except that their names could, if they elected, be put on the preferred list until a vacancy occurred in the civil service.

The main point is that these employees will have lost seniority plus 18 days accumulated sick pay per year and the security of a pension when unable to work. They point out that if they sign this waiver requested by the B.C. Telephone Company they can be discarded at any time their health fails them. They also say that as far as they can learn, these conditions, that is to say the conditions that the telephone company is now asking them to accept, are included in the agreement for the sale of the government telephone and telegraph system to the new owner. They ask if some system could not have been worked out where they could contribute the same amount towards pension as they did with the government and give them an equivalent form of protection when they reach retirement age. Some of these men now over 45 years old have worked for the government system for over 20 years and now have no security for their old age; they have no choice in the matter because if they refuse to transfer to the new owner they would be unemployed while awaiting a new job in the civil service list.

I am sorry if the minister has had no previous notice of this complaint because I am sure that he and I both shared the impression that the employment arrangements with

the telephone side of the system were satisfactory. I will not go into further detail at this stage but I will send further particulars over to the minister.

**Mr. Chevrier:** I should like to get the details because I certainly would like to look into the matter.

**Mr. Fulton:** It sounds to me as though either I had formed a misunderstanding of the nature of the agreement or possibly the agreement itself is not being fully discharged.

However, I have in addition some complaints with respect to employees on the telegraph side who have been taken over by the Canadian National Telegraphs. Here I know the minister has had these matters drawn to his attention because I have received copies of letters which have been sent to him by the employees concerned. I have drawn to his attention the cases of some of the employees and others, as I understand it, have been drawn to the attention of the minister by the amalgamated civil servants of Canada, Vancouver branch. For instance, I have here a copy of a letter to the minister dated April 12 from that branch of the amalgamated civil servants of Canada. I see that it is getting near to 10.30, Mr. Chairman, and I therefore do not wish to delay the committee by going into an excessive amount of detail. However, the position in summary is this.

The conditions accorded by the telegraph company to the employees of the government system were early discovered to be unacceptable by quite a substantial number of those employees. They made the request—and I made the suggestion on their behalf in addition—that if the conditions of service with the new owners were found to be unsatisfactory, some assurance should be given to these men that they might transfer into other parts of the government's communication system or into other branches of the civil service, because this is not a case where some extraneous act beyond the control of the government or anybody else has taken place which deprived men of their livelihood, in which case you might say that they have to take the rough with the smooth.

This is a case where the government, as a matter of policy, has decided to dispose of its system, knowing full well—it must have known it—that there were a number of long-service employees with that system who on account of their age and the fact that they had been exclusively engaged in that type of occupation would have nowhere else to go or no other field to look to for alternative employment. I cannot use any other words than these to describe the situation. I think it is unfair and callous to put these men in the position where you are saying to them: If you do not like the terms of service offered to you by your new employers, you can shift for yourselves.

I have referred the matter, as I say, to the minister. I must say that from him I had an indication that he would give it very sympathetic consideration. I referred it to the chairman of the civil service commission and from him I understood that strenuous efforts would be made to find alternative employment for them in the civil service. So far, however, nothing has happened. I have had no word from either source since my letters of April 10; and so far as I am able to make out from complaints I have received from both Vancouver and Ashcroft, this situation has not been adjusted with respect to many of these employees. I want to make it quite clear that with respect to one individual whose case I took up, it was satisfactorily adjusted; but with respect to the others, both at Ashcroft and Vancouver, no satisfaction has been obtained.

I can only say this for these men who have never complained and who have been the finest type of government employees in small communities. In some cases they have entered fully into the community life and have been an integral part of that community. They are now pretty much disillusioned as to what it means to be turned out into the world at their age by this deal. I am going to read one paragraph from a letter of a man who served for many years. He is fairly well resigned, but he sums up the situation as follows:

> Now that the dust has more or less settled, I think the important thing, over and above the importance to the employees concerned and their naturally worried state concerning their futures, has been the government's steadfast refusal to answer questions put to it by duly elected members of parliament not only in this matter, but from a perusal of *Hansard* in other matters too. This is truly I do think, contempt of parliament and the people of this country and is frightening in its import. What causes individual cabinet ministers to act in such a fashion, I don't know, but I for one, don't like it.

I think that paragraph summarizes the views of these men. While it might give us some satisfaction to raise hell, as it were, about the matter here I can assure you, Mr. Chairman, that my concern with it goes a great deal further than that. I would not be raising the matter here if it were not for the fact that although I have written to the minister and to the chairman of the civil service commission and have asked them to do what they can to get these men alternative employment in the civil service, I have had no satisfaction from correspondence. I therefore feel bound to take this course here so

that even if eventually we get no other satisfaction for these men, they will know that they have had their case laid before the authorities and that the treatment they have received is not to go unnoticed. I hope that we shall be able to get concrete results for them, but I feel bound to raise the matter here in any event and to make the strongest possible protest against the treatment they have had. Whether the responsibility lies with the department or with the Canadian National Telegraphs, I do not know but I want to say that I feel that these men have not had a fair deal.

**Mr. Chevrier:** Mr. Chairman, may I say—

**Mr. Cameron (Nanaimo):** I have a little bit to add on exactly the same thing before the minister answers. Perhaps it would save time. I have also had complaints from former employees of the government telegraph service on Vancouver island who are now employees of Canadian National Telegraphs and B.C. Telephone. Their complaint consists largely in this, that many of the offices that existed under the old government telegraph scheme have now been closed. While I suppose the purchasing companies are carrying out the letter of the agreement what is actually happening in many cases is that employees with a long record in the government service, with their homes established, some in the city of Nanaimo and in other cities on Vancouver island, are being told, shall I say, that the only chance for them to continue in employment with the new employing company is to take a job at some very remote place on the island such as Alert Bay or Port Hardy, places where there is no living accommodation for them or their families.

This correspondent points out that some of these employees have had thirty years service, some even forty-three years, in the government employ and goes on to say:

> Due to the superannuation act not applying to this branch until 1939 these employees have not got full pensionable credits, as this involved the paying back of a large sum of money, and the wages being low the majority of employees could not afford to do so, although some have as much as forty-two years service with the government. If the employees take their immediate pension those nearing the 60 year old mark will lose 16 per cent of their pension, which means a large drop in their pension at the present cost of living.
>
> Would appreciate some concrete information on the salaries those employees transferring to the Canadian National Telegraphs will receive. Will they receive their former salary which they received from the government or go on the Canadian National Telegraphs rating which I understand is lower than paid by the government?

This correspondent told me when I saw him that there are quite a number who are affected in this way. They are placed in the position of having to accept employment at really impossible places for married men with families on the penalty of losing their positions entirely. I wonder whether the minister did have any undertaking with the company that these men would be given some sort of comparable employment if the offices in which they were employed were going to be closed.

**Mr. Chevrier:** I would not want hon. members of the house to think that the Department of Transport is not as much concerned about these employees as the hon. members who have spoken. There are many other hon. members who have taken up the matter either by correspondence or by verbal representations to me, and I do not want to name one rather than another because there are many. Let me deal with this matter in two ways.

In so far as the B.C. Telephone Company is concerned, I had been under the impression all along that the deal was a good one, and I am surprised that the matter raised by the hon. member for Kamloops does exist. I take it that he has received information which is accurate, and I am surprised because I never had any intimation that all the employees taken on by the B.C. Telephone Company were not satisfied with their work. However, as I said and as I undertook, I will look into the matter at the first opportunity.

Dealing with the other phase, I would remind the house that Canadian National Telegraphs is not a division of the Department of Transport but rather a division of the Canadian National Railways, and Canadian National Railways must of course take the responsibility for this matter. That does not mean that we here are not interested in the employees getting a fair deal. We are, and it was a condition of the purchase that, all things being equal, these men would be given a reasonable chance at employment under reasonable conditions. I am not using the right language. I put the terms of the agreement on the record before when I had it here, but I do not have it now.

But let me say that we are going to do our best to find employment for these people comparable to that which they had before. I have had more correspondence about these employees than any other group of employees who have, because of purchase or assignment, been put out of work. I can think of

the 260-odd radio employees of the Department of Transport who were displaced when we cancelled radio licences. We found employment for every one of them with the exception of seven, and among those there was present the question of age.

Here there are about 185 employees concerned. I think it is safe to say that in so far as the B.C. Telephone Company is concerned all of them have found work at better wages. As to the question of superannuation, I must look into it. I say that the conditions there are good with that exception, and I knew nothing about it. In so far as the Canadian National Telegraphs is concerned, I know there are a number of serious difficulties, but I believe that so far there are only eight or nine men who have been assigned to positions with which they are not satisfied and where they are being offered positions at a lower rate than they originally received.

What the total is I am not able to say, but we in the Department of Transport, together with the civil service commission, are going to do everything we can to find employment for these people. We are doing that now and because of the representations that have been made, both from this side of the house and the other side, I hope, although it may not be possible to deal with all of them because there are certain age requirements which will make it difficult to consider them all, that we will be able to do as well with the Canadian National Telegraphs operations as we did in the case of the employees of the radio branch of the department.

**Mr. Fulton:** I know the minister is extremely busy with this and other matters. I know that the taking over has not been easy and that he has devoted a lot of attention to it. May I ask him whether he could not instruct his officials to keep all those members who are concerned—and I want to give credit to the many other members who are equally concerned—informed? As I have pointed out, I have had this lengthy letter of April 6 summarizing the situation and I have a copy of the letter sent to the minister on April 10. I telephoned and wrote to various people, the chairman of the civil service commission and the minister, but I have had nothing since, and on the basis of that and subsequent correspondence the dissatisfaction, so far as I am aware, continues unabated.

I am glad to hear, if I understood the minister correctly, that efforts are being made to clear up quite a number of these cases and that success has been achieved with some. I would appreciate it, and I know other members would also, if we might from time to time receive reports as to the progress.

[Mr. Chevrier.]

**Mr. Chevrier:** I will be glad to keep the hon. member informed as to the cases he has brought to my attention. Other cases have been brought to my attention by other members, but I do not imagine he wants to be kept informed about those.

**Mr. Fulton:** Not individual cases, but I have this representation made on behalf of these men by the amalgamated civil servants of Canada and it refers to what appears to be certain inequities in the employment positions offered by the Canadian National Telegraphs. It contains such phrases as this:

> No such unreasonable split-trick hours exist in the C.N.T. on scheduled positions.

The reason that these men are being prejudiced is that they are offered non-scheduled positions. Then there is this phrase:

> When accomplished—

The reference is to certain transfers.

> —as it surely would be, the positions of former government telegraph employees taken over would be wiped out. And because they are classed as non-schedule with no seniority rights—

That certainly was a feature which I understood was not present. I understood they would be given their corresponding seniority rights. It says:

> And because they are classed as non-schedule with no seniority rights, they could not bid on any vacancies in the C.N.T. system proper. They would be out of employment.

When these other positions were wiped out, they would be out of employment.

**Mr. Chevrier:** I shall bring my hon. friend up to date on that.

**Mr. Fulton:** It is now 10.30.

**The Deputy Chairman:** The hon. member for Comox-Alberni.

**Mr. Fulton:** It is now 10.30.

**The Deputy Chairman:** Is the hon. member for Comox-Alberni rising to speak to an item?

**Mr. Barnett:** Yes, Mr. Chairman, I have one or two questions about item 486. I should like to discuss with the minister one or two aspects of this sale of the government telephone and telegraph which have not been discussed by previous speakers. My questions relate more to the telegraph service. I do know that there have been some views expressed particularly in connection with what is happening to the telegraphs. I have had suggestions made to me that since the sale of these facilities the Canadian National Telegraphs appear to be following a deliberate policy of withdrawal from the Vancouver island area. I feel that it would be helpful

if the minister would give us a statement as to just what former offices of the government telephone and telegraph service have been continued in operation by the Canadian National, and what former offices have been closed.

In this connection I would suggest that if, as has been suggested to me, there is a withdrawal on the part of the Canadian National from certain areas, the minister inform the committee whether this has been done in consultation with the Canadian Pacific or whether there has been any consideration of the maintenance of service through these channels in cases where the Canadian National is not continuing the service formerly provided by the government service.

There is one other matter upon which I feel it would be helpful if the minister gave us some information, and that is as to the particular channel through which inspection is to be continued by the government? Is that duty a function of the government's telephone and telegraph service as it presently exists or is some other agency of government going to be responsible for the inspection the minister suggested was provided for in the agreement. I would appreciate an answer to those two questions.

**Mr. Chevrier:** The answer to the hon. member's last question is that so far as inspection services are concerned, we are out of the field with reference to the facilities we have sold. We will not be providing inspectors for any of the facilities sold either to the British Columbia Telephone or Canadian National Telegraphs.

**Mr. Barnett:** I believe the minister misunderstood my question. If I understood him correctly, when he made his statement in regard to policy he stated that the government was reserving the right to ensure that the terms of the agreement were going to be carried out by the respective companies taking over those facilities.

**Mr. Chevrier:** I am sorry, I misunderstood.

**Mr. Barnett:** What agency of the federal government is to be responsible?

**Mr. Chevrier:** I misunderstood the hon. member. I think perhaps the microphone is placed in such a way it is difficult to catch what is being said. In answer to the hon. member's question, I would say yes. I had understood him to ask about inspection, but apparently that is not what he was interested in. He was interested in whether we still retain the right, under the agreement, to consider the terms of it, and the answer to that is yes.

With reference to the first question, I am informed that the Canadian National Telegraphs are giving service in the areas referred to by the hon. member comparable to similar localities in Canada, and that is in agreement with the conditions of sale.

Item agreed to.

Meteorological division—

*489.* Administration, operation and maintenance, $6,963,110.

**Mr. Green:** I think perhaps we had better call it a day.

**Mr. Harris:** I am grateful for the indulgence of hon. members opposite. I think we have had a good half hour and I appreciate it very much.

Item stands.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris** moved the adjournment of the house:

He said: On Monday we shall take up the Public Service Superannuation Act; the amendment to the Pipe Lines Act, and we would like to take that through as many stages as possible on Monday; then the Motor Vehicle Transport Act; the National Physical Fitness Act; and if hon. members have had an opportunity of examining the amendment of the other place to the Criminal Code, we would take that at that point. Then, we would move to go into supply, take trade and commerce and transport in that order.

Motion agreed to and the house adjourned at 10.46 p.m.

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

DEPARTMENT OF TRANSPORT

A—Department—

444. St. Lawrence seaway surveys, investigations and design (including the former St. Lawrence ship canal surveys and investigations), $820,180.

Canal services—

445. Administration, $141,980.

446. Operation and maintenance, $6,054,242.

447. Construction or acquisition of buildings, works, land and new equipment, including payments to provinces or municipalities as contributions towards construction done by those bodies, $2,085,100.

Marine services—

448. Marine services administration, including agencies, $659,259.

Marine service steamers—

449. Administration, operation and maintenance, $6,228,000.

450. Construction or acquisition of vessels and equipment, $3,418,000.

Aids to navigation—

451. Administration, operation and maintenance, $5,111,800.

452. Construction or acquisition of buildings, works, land and new equipment, $1,586,720.

Nautical services—

453. Administration, operation and maintenance, including grants and contributions for the purposes indicated in the details of the estimates; rewards for saving life from vessels in distress; subsidies to salvage companies, and the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act, $474,764.

454. Construction or acquisition of buildings, works, land and new equipment, $69,900.

Pilotage service—

455. Administration, operation and maintenance, including authority for temporary recoverable advances not exceeding $20,000, $540,983.

456. Construction or acquisition of buildings, works, land and equipment, $55,000.

457. Steamship inspection, including the carrying out of the provisions of the conventions for the safety of life at sea and load lines, and a contribution of $7,000 to the province of Nova Scotia, department of education, $646,853.

458. Marine reporting service, $159,760.

River St. Lawrence ship channel service—

459. Administration, operation and maintenance, $819,371.

460. Contract dredging, $2,500,000.

461. Surveys and investigations, $20,000.

Railways and steamship services—

462. Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the department, $56,240.

Hudson Bay railway—

463. To provide for the difference between the expenditures for operation and maintenance, and revenue accruing from operation during the year ending March 31, 1955, not exceeding, $425,000.

464. Construction or acquisition of buildings, works, land and new equipment, $138,800.

465. Prince Edward Island car ferry and terminals —To provide for the payment during the fiscal year 1954-55 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport made from time to time by the national company to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1954, $1,558,000.

466. Strait of Canso—Transportation improvements and facilities, $9,670,000.

467. Enlargment of dock and terminal facilities at North Sydney, Nova Scotia, $956,600.

468. Construction of new dock and terminal facilities at Port-aux-Basques, Newfoundland, $2,253,600.

469. To provide for the payment during the fiscal year 1954-55 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport made from time to time by the national company to the Minister of Finance and to be applied by the national company in the payment of the deficit (certified by the auditors of the national company) in the operation of the North Sydney, Nova Scotia — Port-aux-Basques, Newfoundland, ferry and terminals arising in the calendar year 1954, $2,600,000.

470. Construction or acquisition of auto-ferry vessels, as detailed in the estimates, $6,950,000.

A—Department—

Railway and steamship services—

471. Construction or acquisition of vessels for Newfoundland coastal services, $900,000.

472. To provide towards the cost of surveys of Newfoundland railway properties entrusted to the Canadian National Railway Company, $17,500.

473. Degaussing and strengthening for armament, sea-going merchant ships of Canadian registry of 1,000 gross tons and over, $300,000.

474. Maritime Freight Rates Act—for the payment to the railway companies operating in the select territory designated by the act, during the fiscal year 1954-55, of the difference occurring on account of the application of the act, between the tariff tolls and normal tolls under approved tariffs (estimated and certified to the Minister of Transport by the Canadian National Railway Company and approved by auditors of the said company respecting the eastern lines of the Canadian National Railways, and in the case of the other railways by the Board of Transport Commissioners for Canada) on all traffic moved during the calendar year 1954 (Chap. 174, R.S.), $10,948,000.

475. Canadian National (West Indies) Steamships, Limited—to provide for the payment from time to time to the Canadian National (West Indies) Steamships, Limited (hereinafter called "the company") of the amount of the deficit occurring during the year ending December 31, 1954, in the operations of the company and the vessels under the control of the company, as certified by the auditors of the company, and upon applications made by the company to the Minister of Finance and approved by the Minister of Transport, not exceeding, $581,000.

476. Ogden Point piers, Victoria, British Columbia —construction or acquisition of buildings, works and land, $14,000.

Pensions and other benefits—

477. Amount required to pay pensions at the rate of $300 per annum to former pilots: Arthur Baquet; Adelard Delisle; Raoul Lachance; Jules Lamarre; Wilhelm Langlois; George Larochelle; Auguste Santerre, $2,100.

478. Railway employees' provident fund—To supplement pension allowances under the provisions of the Intercolonial and Prince Edward Island railway employees' provident fund act so as to make the minimum payment during the period January 1, 1954, to March 31, 1955, the sum of $30 per month instead of $20 per month as fixed by the said act, $12,250.

479. Supplemental pension allowances to former employees of Newfoundland railways, steamships and telecommunication services transferred to Canadian National Railways, $17,000.

Air services—

Telecommunications division—

Airways and airports—radio aviation services—

480. Administration, operation and maintenance, $5,749,559.

481. Construction or acquisition of buildings, works, land and new equipment, $2,279,517.

Radio Act and regulations (including the former suppression of radio interferences)—

482. Administration, operation and maintenance, including contributions as Canada's share of the administrative costs of various international radio, telegraph and telephone conferences, as detailed in the estimates, $1,617,445.

483. Construction or acquisition of buildings, works, land and new equipment, $286,085.

Radio aids to marine navigation —

484. Administration, operation and maintenance, $2,456,995.

485. Construction or acquisition of buildings, works, land and new equipment, $481,400.

Telegraph and telephone service—

486. Administration, operation and maintenance, $591,603.

487. Construction or acquisition of buildings, works, land and new equipment, including capital assistance to local telephone systems in sparsely settled areas, $325,700.

488. Northwest communication system—construction or acquisition of buildings, works, land and new equipment, $375,700.

A—Department—

735. St. Lawrence seaway surveys, investigations and design—further amount required, $846,432.

Canal services—

736. Operation and maintenance—further amount required, $100,000.

737. Construction or acquisition of buildings, works, land and new equipment, including payments to provinces or municipalities as contributions towards construction done by those bodies—further amount required, $367,660.

Marine services—

Marine service steamers—

738. Administration, operation and maintenance —further amount required, $350,000.

739. Construction or acquisition of vessels and equipment—further amount required, $490,000.

Nautical services—

740. Administration, operation and maintenance, including grants and contributions for the purposes indicated in the details of the estimates; rewards for saving life from vessels in distress; subsidies to salvage companies, and the payment of expenses, including excepted expenses, incurred in respect of Canadian distressed seamen as defined in section 306 of the Canada Shipping Act—further amount required, $5,000.

741. Steamship inspection, including the carrying out of the provisions of the conventions for the safety of life at sea and load lines, and a contribution of $115,600 to the province of Newfoundland, department of education—further amount required, $115,600.

River St. Lawrence ship channel service—

742. Surveys and investigations—further amount required, $10,000.

A—Department—

Railway and steamship services—

743. Construction or acquisition of auto-ferry vessels, as detailed in the estimates—further amount required, $750,000.

Air services—

Telecommunications division—

Airways and airports—radio aviation services—

744. Construction or acquisition of buildings, works, land and new equipment—further amount required, $395,000.

Radio aids to marine navigation—

745. Construction or acquisition of buildings, works, land and new equipment—further amount required, $77,000.

Telegraph and telephone service—

746. Construction or acquisition of buildings, works, land and new equipment, including capital assistance to local telephone systems in sparsely settled areas—further amount required, $111,060.

747. Northwest communication system—construction or acquisition of buildings, works, land and new equipment—further amount required, $121,000.

# HOUSE OF COMMONS

**Monday, June 14, 1954**

The house met at eleven o'clock.

## LABOUR CONDITIONS

FURTHER NEGOTIATIONS BETWEEN RAILWAYS AND NON-OPERATING UNIONS

**Hon. Milton F. Gregg (Minister of Labour):** In view of the general interest in the matter, Mr. Speaker, I wish to make a brief statement concerning the railway dispute. On behalf of my colleagues in the government I have asked the parties to the dispute affecting non-operating railway employees to resume negotiations with a view to reaching agreement on the issues involved by the process of collective bargaining.

The management of the railways and the representatives of the unions have agreed with the request and it is expected that the first meeting can be held in Montreal before the end of this week.

[*Later:*]

POSSIBLE BEARING ON STRIKE VOTE

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I should like to ask a question of the Minister of Labour, arising out of his welcome announcement this morning. Does the fact that negotiations will be reopened between the two parties to the railway dispute have any bearing on the taking of a strike vote, arrangements for which have already been made, by the unions, under the provisions of the Industrial Relations and Disputes Investigation Act?

**Mr. Gregg:** I cannot answer that question officially. I can state, in reply to the hon. member, that it is hoped that if a meeting can be arranged before the end of this week, it may have some advantageous bearing on the matter.

## PIPE LINES ACT

AMENDMENT AUTHORIZING OPERATION BY TRUSTEE

**Hon. Lionel Chevrier (Minister of Transport)** moved for leave to introduce Bill No. 477, to amend the Pipe Lines Act.

**Mr. Knowles:** Explain.

**Mr. Chevrier:** The Pipe Lines Act authorized a person having authority under a special act to construct or operate a pipe line. Some doubt has arisen as to whether the word "person" also includes the trustee of the bondholders, and the object of this act is to remove that doubt by an amendment to the act so that the trustee for the bondholders would be a person authorized to construct or operate a pipe line.

Motion agreed to and bill read the first time.

## CRIMINAL CODE

LIMITATION ON OPERATION OF PARIMUTUEL BETTING

**Hon. W. E. Harris (for the Minister of Agriculture)** moved the first reading of Bill No. 476 (from the Senate), to amend the Criminal Code (race meetings).

Motion agreed to and bill read the first time.

## QUESTIONS

NATIONAL DEFENCE BUILDINGS—HEATING

**Mr. Harkness:**

1. What percentage of national defence buildings, on a space basis, are heated by fuel oil and by coal, respectively?
2. How many tons of coal and how many gallons of oil were purchased for heating purposes in the last yearly period for which figures are available?
3. How much oil is used per 1,000 feet of floor space where oil heating is employed, and how much coal is used per 1,000 feet of floor space where coal heating is employed?
4. What has been the cost per gallon for fuel oil for the yearly period given in question No. 2, and what has been the cost per ton of coal for the yearly period given in question No. 2?

**Mr. Campney:** I am answering parts 2 and 4 of this question, Mr. Speaker. In view of the undue amount of time and work required to get the answers to parts 1 and 3, I have discussed the matter with the hon. member who asked the question and he has agreed to drop those parts.

**Mr. Speaker:** The Associate Minister of National Defence says that the hon. member who has put these questions on the order paper has agreed to have parts 1 and 3 dropped, but that he is prepared to answer parts 2 and 4. Therefore, I take it that the answers to parts 2 and 4 are filed, and that parts 1 and 3 are dropped?

*Questions*

**Mr. Campney:** Yes. The answers are as follows:

2. 481,863 tons of coal and 36,450,810 gallons of oil were purchased for heating purposes during the fiscal year 1952-53.

4. The average cost per gallon of fuel oil was 17·71 cents and the average cost per ton of coal was $11·77.

NATIONAL REVENUE—DECISIONS OF DEPUTY MINISTER

**Mr. Knowles:**

1. Since January 1, 1953, how many decisions made by the deputy minister of national revenue (customs and excise) have been appealed to the tariff board?

2. Since January 1, 1953, have there been any instances when the deputy minister of national revenue (customs and excise), having been asked for his decision so as to enable an appeal to be made to the tariff board, has directed a change in his departmental officers' tariff classifications or valuations? If so, how many of such instances have there been?

3. Has the deputy minister of national revenue (customs and excise) any applications for his decisions regarding his departmental officers' tariff classifications or valuations before him at the present time? If so, how many?

**Mr. McCann:**

1. 36.

2. 4.

3. 35. The majority of these decisions cannot be made until such time as the department receives final rulings from the tariff board or the exchequer court.

PROVINCIAL TAX COLLECTIONS

**Mr. Dufresne:**

From 1945 to 1953 inclusive, what amount was collected in each of the provinces of Nova Scotia, New Brunswick, Prince Edward Island, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, on account of (a) individual income taxes; (b) corporation income taxes; (c) succession duties?

**Mr. McCann:**

The amounts of tax collected by the Department of National Revenue, taxation division, in the provinces specified in this question for the fiscal years 1944-45 to 1952-53, inclusive, were as follows:

| Province | (a) Individual Income Tax | (b) Corporation Income Tax | (c) Succession Duties |
|---|---|---|---|
| Nova Scotia | $ 160,248,970 | $ 96,082,273 | $ 7,171,162 |
| New Brunswick | 115,953,669 | 74,590,803 | 7,122,956 |
| Prince Edward Island | 12,477,382 | 8,827,657 | 564,725 |
| Ontario | 3,312,998,903 | 2,428,678,845 | 130,583,803 |
| Manitoba | 344,128,215 | 221,608,271 | 11,488,331 |
| Saskatchewan | 228,543,819 | 41,938,441 | 4,987,695 |
| Alberta | 380,090,384 | 161,347,867 | 10,574,285 |
| British Columbia | 719,231,091 | 564,767,222 | 26,813,085 |

TAX COLLECTIONS, NEWFOUNDLAND

**Mr. Dufresne:**

What amount was collected in the province of Newfoundland, from the entry of that province into confederation to 1953 inclusive, on account of (a) individual income taxes; (b) corporation income taxes; (c) succession duties?

**Mr. McCann:**

The amounts of tax collected by the Department of National Revenue, taxation division, in the province of Newfoundland from the entry of that province into confederation to the end of the fiscal year 1952-53, were as follows: (a) individual income taxes, $23,910,626; (b) corporation income tax, $32,818,424; (c) succession duties, $884,852.

OLD AGE ASSISTANCE, SASKATCHEWAN

**Mr. Shaw:**

1. How many residents of Saskatchewan received (a) old age security payments; (b) old age assistance payments, during April, 1954?

[Mr. Speaker.]

2. What was the total amount paid to Saskatchewan residents during April, 1954 as: (a) old age security payments; (b) old age assistance payments?

**Mr. Martin:**

1. (a) 42,923; (b) 4,636.

2. (a) Gross payments, $1,748,680; (b) amount paid by the province including 50 per cent federal share, $175,348.

SEDITIOUS WORDS—CHARGES UNDER CRIMINAL CODE

**Mr. Knowles:**

1. How many (a) charges; (b) convictions; (c) acquittals; (d) charges not proceeded with, have there been in Canada between January 1, 1919 and January 1, 1954, under section 134 of the Criminal Code, chapter 36 of the Revised Statutes of Canada, 1927, or its predecessor if the section number has been altered during that period?

2. How many of the charges, convictions, acquittals and charges not proceeded with, as noted above, arose from (a) speaking seditious words; (b) publishing seditious libels; (c) being a party to a seditious conspiracy?

3. What was the "style of cause" in each conviction noted in question 1 above?

4. Have any charges been laid under the above-noted section of the Criminal Code since January 1, 1954? If so, how many?

**Mr. Dickey:**

1 (a), (b), (c) and (d). Information not available. While certain sections of the Criminal Code are, for statistical purposes, coded separately, in most cases the practice is to group certain sections of the code together under a number of general headings. Offences under section 134 of the Criminal Code are included in the general heading "Various other offences".

*Questions*

2. Information not available. See answer to No. 1.

3. Information not available. See answer to No. 1.

4. Information not available. See answer to No. 1.

TOBACCO EXPORTS TO HOLLAND

**Mr. Nesbitt:**

What were Canadian exports to Holland of (a) burley tobacco; (b) flue-cured tobacco; (c) cigar leaf tobacco; (d) dark air cured tobacco; (e) all other Canadian tobacco, in quantities and in value, for each of the years 1945-1953 inclusive?

**Mr. Dickey:**

STATEMENT SHOWING CANADIAN EXPORTS TO HOLLAND OF TOBACCO DURING THE YEARS 1945 TO 1953

| Year | Burley tobacco | | Flue-cured tobacco | | Cigar leaf tobacco | | Dark air cured tobacco | | All other tobacco | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Lb. | Value | Lb. | Value | Lb. | Value | Lb. | Value | Lb. | Value |
| | | $ | | $ | | $ | | $ | | $ |
| 1945 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 1946 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 1947 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 1948 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 1949 | ... | ... | 17,277 | 2,677 | ... | ... | ... | ... | ... | ... |
| 1950 | ... | ... | 865,796 | 165,754 | 136,555 | 12,288 | ... | ... | 8,248 | 824 |
| 1951 | 166,472 | 38,288 | 519,551 | 95,957 | ... | ... | ... | ... | ... | ... |
| 1952 | ... | ... | 294,459 | 102,907 | 3,895 | 304 | ... | ... | ... | ... |
| 1953 | ... | ... | 252,479 | 66,205 | ... | ... | ... | ... | ... | ... |

DIPLOMATIC SERVICE—PROPERTY AND PERSONNEL

**Mr. Hodgson:**

1. In how many countries does Canada own buildings and property to house the diplomatic corps?

2. What was the cost of each property and buildings?

3. What was the cost of upkeep and salaries for such service in each country for the fiscal year 1953?

4. Has the government purchased properties in any other countries since January 1, 1954?

5. If so, in what countries and at what cost?

6. In what other countries does the government contemplate inaugurating diplomatic service?

**Mr. Pearson:**

1. As at December 31, 1953—16.

2. Australia—residence for high commissioner, $42,189.52.

China—compound containing chancery and residence accommodation for staff, including cost of constructing buildings, $200,635.

Cuba—embassy residence, $84,750.

Denmark—legation residence, $136,728.73.

France—embassy residence, $239,499.32.

Property on which to erect an office building, $298,078.39.

Office building for Canadian delegation, and staff, to North Atlantic council, $115,466.40.

India—compound containing office buildings, official residence of the high commissioner and quarters for domestic help, $155,289.95.

Ireland—embassy residence, $32,292.

Italy—a building site, purchased with blocked funds, which may be sold later, or on which embassy buildings may be constructed, $186,391.65.

Japan—compound containing embassy office buildings and official residence, $200,000.

*Questions*

Additional property on which to erect staff residences and other buildings, $71,819.50.

Residence for an officer of the mission, $27,463.52.

The Netherlands—embassy residence and property on which staff residences could be constructed, $194,128.80.

Building site for a Canadian government office building, $41,751.75.

New Zealand—building site, $9,140.

Pakistan—a staff beach hut for hot weather use, $1,604.

South Africa—residence for high commissioner, $70,613.07.

United Kingdom—Canada House, $1,539,073.11.

Residence for high commissioner, $92,695.41.

United States—New York—residence for the consul general, $27,500.

Washington—office building, $477,754.35.

Embassy residence, $305,278.87.

3. Australia—upkeep, $341.57; salaries, $944.08.

China—upkeep, $123.96; salaries, $2,577.62.

Cuba—upkeep, $3,988.09; salaries, $1,478.05.

Denmark—upkeep, $241.96; salaries, $987.62.

France—residence upkeep, $1,495.23; salaries, $2,776.53.

North Atlantic council, upkeep, $245.42; salaries, nil.

India—upkeep, $2,909.87; salaries, $506.97.

Ireland—upkeep, $301.69; salaries, $2,286.65.

Japan—upkeep, $390.49; salaries, $2,618.05.

The Netherlands—upkeep, $3,180.70; salaries, $902.30.

South Africa—upkeep, $1,232; salaries, $501.76.

United Kingdom—office upkeep, obtainable from Department of Public Works; salaries, $5,548.98; residence upkeep, $1,808.93; salaries, nil.

United States—New York—upkeep, $74.58; salaries, nil; Washington—office upkeep, $5,970.68; salaries, $9,152.86; residence upkeep, $2,367.91; salaries, nil.

4. Yes.

5. In Indonesia—an embassy residence, $53,439.74.

A residence for a foreign service officer, $32,383.50.

In New Zealand—a residence for the high commissioner, $56,000.

In Karachi—a duplex to serve as a staff residence, $84,615.64.

[Mr. Pearson.]

(N.B.—These figures are subject to slight revision when details are received.)

6. I would refer the hon. member to my statement on Friday, May 28, when, as he will recall, I said that I was not yet in a position to give full details concerning the opening of new diplomatic missions. The proposed extension of the jurisdiction of Canadian ambassadors already serving in the region to allow them to represent Canada in the Dominican Republic and the Republic of Haiti has already been announced. Negotiations are still continuing with certain other countries. The hon. member will understand that we are under obligation to the authorities of these latter countries to keep matters confidential until such times as may be mutually agreeable to the governments concerned.

GENERAL A. G. L. MCNAUGHTON

**Mr. Diefenbaker:**

How much has been paid to General A. G. L. McNaughton, year by year, from 1949 to 1953 inclusive, for (a) salaries; (b) living allowances and expenses?

**Mr. Pinard:**

| (a) | Salary |
|---|---|
| 1948-49 | $10,000 |
| 1949-50 | 7,500* |
| 1950-51 | 15,000 |
| 1951-52 | 15,000 |
| 1952-53 | 15,000 |
| 1953-54 | 15,000 |

*Supplemented by military pension.

| (b) | Allowances | Expenses |
|---|---|---|
| 1948-49 | $14,392 | $1,813.70 |
| 1949-50 | — | 2,338.94 |
| 1950-51 | — | 2,651.35 |
| 1951-52 | — | 2,363.64 |
| 1952-53 | — | 2,182.59 |
| 1953-54 | — | 2,195.90 |

EXPORTS TO RUSSIA

**Mr. Castleden:**

1. What is the total quantity of articles exported from Canada to the U.S.S.R. in each of the export classification items, during the period February 1, 1954 to May 31, 1954 inclusive?

2. What was the total value of the articles exported from Canada to the U.S.S.R. in each of those classification items in terms of Canadian dollars exclusive of freight, insurance, handling and other charges, for the same period?

**Mr. Dickey:**

1 and 2. The Canadian exports to U.S.S.R. during the period February 1 to April 30, 1954 (latest figures available) were gifts valued at $25.

NAVAL FUEL OIL, ESQUIMALT

**Mr. Pearkes:**

1. To what company or companies has the contract been let for the supply of naval bunker and diesel fuel oil for the naval fuel depot at Esquimalt, British Columbia, for the year 1954-55?

2. Did the specifications for the tenders call for prices at a refinery, as well as for those delivered to H.M.C. dockyard, Esquimalt?

3. Did the specifications require that the oil supplied should be Canadian oil obtained from Canadian firms?

4. Is the fuel being delivered, produced from Canadian or foreign crude oils?

5. Do the companies, or company, to whom the contract was awarded, operate permanent installations, or was the contract awarded to an oil brokerage firm?

6. Is the fuel for the 1954-55 contract to be delivered at H.M.C. dockyard, Esquimalt, or is delivery to be taken at a refinery and conveyed to the naval fuel depot by Canadian naval tanker?

**Mr. Bourget:**

1. Naval fuel oil (bunker)—White Petroleums, 900 Pacific St., Vancouver, B.C. Naval diesel fuel oil—British American Oil Company Ltd., Toronto, Ont.

2. No.

3. No.

4. Foreign crude oils.

5. White Petroleums—no permanent installations—B.C. distributor for Union Oil Company of California. British American Oil Company Ltd. operates permanent installations.

6. Naval fuel oil (bunker) to be delivered by contractor's tanker to H.M.C. dockyard, Esquimalt. Naval diesel fuel oil to be delivered by contractor by pipe line at Vancouver and Esquimalt, and by contractor's tanker and/or tank wagon or in 45 gal. drums to H.M.C. dockyard, Esquimalt. Neither of these requirements will be delivered by Canadian naval tanker.

TREASON, ETC.—CHARGES UNDER CRIMINAL CODE

**Mr. Knowles:**

1. How many (a) charges; (b) convictions; (c) acquittals; (d) charges not proceeded with, have there been in Canada under the Criminal Code from its adoption in 1892 up to January 1, 1954, under sections 74(2), 76, 78 and 79 of the Criminal Code, chapter 36 of the Revised Statutes of Canada, 1927, or their predecessors if the section numbers in question have been altered during that period?

2. What was the "style of cause" in each conviction noted above?

3. Have any charges been laid under the above-noted sections of the Criminal Code since January 1, 1954? If so, how many?

**Mr. Dickey:**

1. (a), (b), (c) and (d).

1 (a), (b), (c) and (d). Information not available. While certain sections of the Criminal Code are, for statistical purposes, coded separately, in most cases the practice is to group certain sections of the code together under a number of general headings. Offences under the sections stated above are included in the general heading "Various other offences" which includes, as well, offences under several other sections of the Criminal Code.

2. Information not available. See answer to No. 1.

3. Information not available. See answer to No. 1.

## MOTIONS FOR PAPERS

ST. LAWRENCE WATERWAY REPORT

**Mr. Bell:**

For a copy of the report of an economic study of the proposed St. Lawrence waterway, made in 1951 by the Department of Trade and Commerce, as referred to by the Minister of Transport at page 1666 of *Hansard* of December 6, 1951.

He said: I ask leave to withdraw this motion.

**Mr. Speaker:** Motion dropped.

LAKE WINNIPEGOSIS—DREDGE

**Mr. Zaplitny:**

For a copy of all letters, telegrams and other communications, from August 1, 1953 to date, exchanged between any department of the government and any person or persons with respect to the question of an additional dredge to be used on lake Winnipegosis in Manitoba.

ARMED FORCES—LAYCOCK REPORT

**Mr. Dinsdale:**

For a copy of the Laycock report on the subject of recreation and related services for Canada's armed forces.

**Mr. Campney:** I ask that the hon. member allow this motion to stand for today.

**Mr. Speaker:** Motion stands.

## WHEAT

CANADIAN REPRESENTATION AT LONDON CONFERENCE

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I should like to ask a question of the Prime Minister (Mr. St. Laurent). What arrangements have been made for the Canadian representation at the meeting of forty nations taking place this week in London to discuss the world wheat situation? Also I would ask the Prime Minister to give the house all the information he can as to the instructions the Canadian representatives have received.

*Inquiries of the Ministry*

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** Perhaps I may answer for the Prime Minister. Canada is to be represented at that meeting, as usual, by a member of the Canadian wheat board. The member of the board is instructed to make such representations as are in the interests of Canadian producers. No special instructions have been given by the government. It is a matter for the wheat marketing authorities of the exporting countries, and the marketing in Canada is the responsibility of the Canadian wheat board.

**Mr. Drew:** May I ask a supplementary question. In view of the situation which exists has not the government discussed this matter with the representatives of the wheat board and indicated to them some course they would suggest as being advisable, in view of the special situation in respect of the wheat surplus at this time?

**Mr. Howe (Port Arthur):** I know of no special situation. Canada has a wheat surplus, as has every other producing country. Parliament, in its wisdom—and I think wisely —made the marketing of wheat as the responsibility of the Canadian wheat board; and the government assumes that the board is capable of carrying out that responsibility, without special instructions from the government.

## POST OFFICE

GOVERNMENT MAIL WITH INSUFFICIENT POSTAGE

On the orders of the day:

**Mr. L. E. Cardiff (Huron):** Mr. Speaker, I should like to ask a question of the Postmaster General (Mr. Cote). Perhaps in his absence it could be answered by the Associate Minister of National Defence (Mr. Campney). Twice within a month, and to the same person, mail was sent short of postage by the Department of National Defence. In my view a government department should be the last in the world to send out mail short of postage. If the minister wishes, I could give the name of the person who received it.

**Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General):** Mr. Speaker, the question is deserving of serious consideration. Departmental officials will look into the matter and report at the first opportunity.

## PUBLIC SERVICE SUPERANNUATION ACT

AMENDMENT TO PROVIDE PAYMENT OF DEATH BENEFITS UP TO MAXIMUM OF $5,000

**Hon. Douglas Abbott (Minister of Finance)** moved that the house go into committee on Bill No. 463, to amend the Public Service Superannuation Act.

[Mr. Drew.]

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Part I.*

**Mr. Abbott:** Mr. Chairman, I do not propose to make an extended statement about this bill because, as hon. members are aware, it was considered by the committee on banking and commerce. I was not present at the hearings of that committee but I understand the main subject matter discussed there was whether or not the bill should be dealt with at this time, or should be postponed. It is on that point I wish to say a word.

As I said in my speech on second reading, this is a bill which, in the view of the government, rounds out the superannuation act, an act which in my opinion is one of the best, if not the best, superannuation plans offered by any employer in Canada. Those of us who have had some legal experience—and that covers a good many of us—know that unfortunately a good many people do not make adequate provision for the liabilities they leave at death. We see a good many hard cases where provision of some additional liquid resources would prove greatly advantageous either to the dependents of the deceased or to those who are responsible for discharging the obligations.

This measure was given very careful consideration by the government before it was decided to introduce it. It is, of course, a compulsory plan. Any plan of this sort must be compulsory in order that the benefits of the low rate may be available. My understanding is that the superintendent of insurance gave evidence to that effect before the committee.

I think it is unlikely that there could be any substantial variation in the plan as presented. In other words, I think the plan must be taken as a whole. It is true that you could, for instance, exclude women from its operation. But I am one who does not believe that women should be discriminated against in matters of this kind. I can see no reason why they should be excluded. They would have to be excluded as a whole; you could not exclude unmarried women and include married women, and so on.

In the case of similar plans, I may say that they are compulsory and are made applicable to everybody. For instance, the plan in the Bank of Canada applies from the lowliest stenographer to the most senior executive. The same applies to the plan in force in Central Mortgage and Housing Corporation. It has been suggested that we ought to put this over for further consideration. Well, I am not one who believes that a plan of this kind, which has been carefully

considered by the actuaries and by the technical people who studied its soundness, would be benefited by a postponement. I think the committee should bear in mind that, as I am told, something over 400 civil servants die each year, and that if this plan is postponed for a year—as I understand has been suggested—it becomes quite clear that the dependents would lose the benefit of the provisions of this measure.

For the price of four or five packages of cigarettes a month a civil servant can provide a liquid amount of up to $5,000 to discharge the obligations he leaves behind him upon his death. So far as I am concerned, I think it is an excellent plan. As I have said elsewhere, I only wish I were eligible to participate in it.

For reasons, some of which I have indicated, the government can see no good reason for postponing this plan.

**Mr. Macdonnell:** Mr. Chairman, the minister has really stated very clearly the chief differences between us. Speaking of the desire on the part of the civil servants for further consultation he says: "I am not one of those who believes that a plan which has been carefully considered by the government", and so on—I did not get the exact words—but in effect they were "needs further consideration."

**Mr. Nicholson:** The hon. member usually says something worth hearing, but if he does not speak into the microphones we can hardly hear him down here. Will he speak a little louder and into the microphones?

**Mr. Macdonnell:** I am grateful for the implied compliment. One often wonders whether one is worth hearing. I was assured the other day that I very seldom am because I am always wrong. However, a man who is wrong can be useful in strengthening other people's views.

The minister has put his finger at once on one of the main points I want to emphasize. We have a situation here where more than 200,000 of our fellow civil servants, without anything approaching what may be called consultation, are being dragooned into a scheme which it is perfectly clear from the evidence already available, fragmentary as it is by reason of the short time, many of them are against. As a matter of fact, if on May 26, when this bill was introduced, anyone had predicted to me that the situation we find this morning could have arisen I could hardly have believed it.

What is the situation as we sit here this morning? On May 26 the bill was introduced. On May 27 the banking and commerce committee met, and the energetic and expeditious chairman told us that the various civil service organizations would be coming before us, and he gave us their names. He said that they were not prepared to make representations that morning. That was not a very surprising statement considering that they represent large groups—one represents something like 60,000 civil servants—from end to end of Canada, and they all have wide dispersion of their membership. But the chairman said, perhaps with a little unconscious humour—no, not unconscious, the chairman always has his sense of humour with him—"in order that they should be given ample opportunity we will call our next meeting on Wednesday afternoon." That was, I think, six days later. Ample opportunity to discuss with tens of thousands of members across Canada a complicated measure running into 30 or 40 clauses!

It is true the bill had been discussed after a fashion with what is called the national joint council. The minister seemed to think that the national joint council consultation had carried the matter a considerable distance; but from the evidence before us it would appear that there is very little to that point, and I shall come to it in a moment or two.

There are two points that I wish to emphasize. First of all there has been no proper discussion with those concerned. Second, there is an element of compulsion which was unanimously objected to by the representatives that came before us. We of the opposition discussed this in the committee at some length and moved that the bill be not reported on the ground that all civil servants' representatives asked for further opportunity to discuss it, and that it was a reasonable request. That motion was dealt with in less time than it takes to tell it. No answer was given to the arguments, such as they were. The chairman merely put it to a vote, and you will not be surprised, Mr. Chairman, to know what the result of the vote was.

This bill purports to benefit civil servants, and if we in the opposition thought it was calculated to do this with a maximum of justice or with even a minimum of injustice we would be wholeheartedly for it.

**Mr. Abbott:** It certainly does not benefit the government.

**Mr. Macdonnell:** I do not know; it is very likely that it will not benefit the government. I am glad the minister is beginning to feel that way, and of course—

**Mr. Abbott:** This is a bill purely for civil servants.

**Mr. Macdonnell:** If the minister will allow me to make my remarks I shall be happy. The bill was really prepared, one might

fairly say, behind the backs of the civil servants. I will explain that. They were given no chance to consider it. It was discussed with the national joint council, and the minister referred to what he called the endorsation of the national joint council, but I shall be at some pains to point out that apparently the actual civil service organizations do not consider that the national joint council has any right to speak for them. Nor can I discover from the evidence that it purports to do so. It was a mere conduit pipe which received information. If it had been able to pass on the information it received then it would have been discharging a useful function; but it was bound over to secrecy, and since then there has been, as I shall point out later from briefs presented to the committee, widespread complaint which I shall go into more in detail.

The government is forcing the matter through, though they know there is widespread disapproval. They cannot know how widespread it is because there has been no time. For example, one of the organizations that came before us had 80 branches. Immediately the information was available to them they had communicated with the 80 branches, but they had had time to hear from only 5. Seventy-five have not yet been heard from. Incidentally, evidence was given to us that in one case a week was required; in other cases a good deal longer. In any event, of course they could have got the full report if there had been time. I shall quote later from the briefs to point out the extent of the disapproval.

Actually, when I saw those briefs I said: "Well, the party is over; the government will never go ahead immediately in the face of this; they will at least consult with these people." I could hardly believe my ears when this thing was rammed through the committee. As I say, they did not deign even to answer the arguments that were made. That was not flattering, but I think we knew the reason. The reason was that there was to be no opportunity for discussion. The word was that it was to be forced through; it had to go back by such and such a day. I think the chairman of the committee had precious little discretion in the matter.

I want to quote a little later on at some length from the briefs. I am not going to go into the details of the many recommendations made. I am going to dwell wholly on the two chief points, the points which I think should have moved the government to delay. The first of them is the universal feeling that there should have been further consultation. The second was the universal feeling that the objections to compulsion were already strong, and evidence to indicate it was likely to be just as strong when the full reports were in.

In introducing the bill the minister said, as reported at page 5103 of *Hansard*:

> —I can inform the house that the national joint council has endorsed the broad outlines of the plan as a whole.

Well, I have not found that impressive. It might have been impressive if in fact this national joint council had had any authority and still more if this national joint council had been able to pass on the information that it got, which indeed it got months ago. But in fact this national joint council, as I shall point out, has no authority and did not pretend to have. Mr. Johnston representing the civil service association of Ottawa says:

> The national joint council . . . was not in a position to make any endorsation of the plan, as most of the staff side representatives were only able to express their views as individuals.

And again he says:

> This proposal was presented to the council in a very unusual way, which involved the strictest secrecy on the part of all members of the council. The staff side were unable to deal with this subject in their normal way, by taking it back to their associations for guidance.

One would not only regard that as the normal way; one would regard it as a very reasonable way. Indeed it is the only way in which sensible people should deal with each other.

There were two courses open to the government. One was the natural, effective, normal, almost inevitable course for reasonable men, and that was to carry through effective consultation in the ordinary way, which they have often done before, with these civil service organizations which are serious representatives of the civil servants. Among them they represent, I should think, well over 62,000 out of the more than 100,000 civil servant involved.

Now, at the other extreme, there was another course no reasonable man would recommend but which might have been logical, namely, to have no consultation of any kind but just to ram it through and care nothing for what anyone said. As I said, that would have been to me wholly unreasonable. I suppose you can be logical and at the same time utterly unreasonable. But at any rate neither course was followed. A middle course, which had the worst of both elements in it, which was neither one thing nor the other, was followed. The government made a show of consultation by talking to the national joint council but it made this procedure wholly useless by imposing secrecy

on them. In other words, there was just a pretence or a show of consultation which meant not a thing in the world.

As I shall show later, when the bill became public most of the civil service organizations reported widespread disapproval of the vital details. Every organization wanted more time for consultation and every organization raised complaints about the compulsory feature of the bill. Now, we in the opposition are I suppose rather old-fashioned people, but we have the idea that consultation would be natural, particularly if you are placing burdens on people. After all, it is not as if the government was coming along with a Christmas present.

Even one week of consultation showed so much opposition that it seems to me it is utterly preposterous for the government to force this measure through. The only motto I can think of which motivates the government is, "treat them rough and tell them nothing". That, I believe, was a recipe once given for dealing with a man's wife but I do not think it should be extended to more human relationships.

Indeed, we argued these points and we asked for delay. We moved that the committee do not report the bill, but we were voted down. We are used to that, of course, but it would have been nice to have some reasons. Mr. Chairman, we would have felt that perhaps we were discharging our duty better if the government had felt it worth while even to give us some reason. As I say, they are placing burdens on these people and there is no reason why they should just shove it through. But the government pays no attention to the request of tens of thousands of civil servants who ask for a chance to be heard.

Well, Mr. Chairman, one wonders whether ordinary decent human relationships should not prevail in relation to civil servants. No one can deny that this bill works hardship on them. The minister will not deny that and his answer is that in order to be effective the bill has got to be compulsory.

**Mr. Abbott:** Does my hon. friend really think there is any hardship involved?

**Mr. Macdonnell:** I will try to establish that.

**Mr. Abbott:** I would like my hon. friend to elaborate on that if he will.

**Mr. Macdonnell:** I will deal with that point to the best of my ability. No one denies it will work hardship on many people. For example, I would like to know whether the minister knows what percentage of civil servants die after 70 and therefore can obtain no benefit. I saw the figure the other day and it surprised me because it was so large and I do not like to quote it.

**Mr. Abbott:** But in ordinary group insurance one must die before 65.

**Mr. Macdonnell:** A very large number die after reaching 70 and will obtain no benefit at all. There is widespread evidence and nothing to discount the evidence that the unmarried woman, and indeed other women, are very much opposed to this. Are they not entitled to be heard? As I say, one can only assume that the government is prepared to ram the bill through regardless of any injustice involved.

Now I come to the armed forces. There was an attempt made to consult the armed forces but some of us have been in the armed forces and we regard consultation within the armed forces much as would a man from Missouri. When we learned that consultation had been held and a few area commanders were able to report back that the majority of the soldiers were in favour of the scheme I argued quite strongly in committee that I just could not conceive that any man of 17 or 18 years of age, who enlisted for three years, would be in favour of this. He would probably know of his own knowledge that the average enlistment is about five years—out of the 25,000 annual enlistment there is an average wastage of 16,000. I argued that it was impossible to believe that if that young man had it made clear to him, first of all, that when he left the service, unless he elected to continue as a member of the plan and pay his subscription for the rest of his life, perhaps for 40 years, he would lose money, he would lose all benefit. It is impossible for me to conceive that such a man would be in favour of this thing. The answer was made, "Well, of course, he likes it because of the combat feature." But there is a Pension Act and I think that if that young man, as regards the combat feature, had been reminded of the rights of his dependents or relatives under the Pension Act it is just not conceivable that he would have been in favour of it. Yet, we are asked to believe that many were in favour.

Now, coming back to the question of consultation with the civil servants I want to read a word again from Mr. Johnston who spoke on behalf of the association:

> The procedure followed by the government . . . was, in my opinion, an indication that the government lacked confidence in its employees and their associations to handle a subject of this nature.

This bill, Mr. Chairman, got lost. It should never have come here at all. It should have

been used merely as a basis for discussion with those whom it was contemplated to benefit.

How does good legislation arise? Does it arise in this shotgun manner? Or does it arise by a much better and more judicious procedure? I will quote the minister against himself, and on this point I refer to the Bank Act. Was that brought before us in this shotgun manner? No! The minister took pains to give a hearing to those who would validly be asked to express their views. The minister attended some meetings, took the time to answer questions, and showed the greatest interest in the matter. After weeks, and indeed months, of careful discussion the committee report was brought down. Again when there was a complete revision of income tax some years ago I very well remember the trouble the minister took to communicate with all sorts of organizations.

Now, is this measure so unimportant? It involves 200,000 people. Was there no reason that this should have been discussed? Why should the civil servants and members of the armed forces be treated in this fashion? The only answer I can give when I look at the minister's action here and compare it in the other cases is that when a good man goes wrong he is most dangerous because he remembers the times when he was right and he becomes just as stubborn in the wrong as he previously was in the right. At any rate, though the minister had this consultation with the national joint council it really was utterly meaningless because he bound them over to secrecy, and there was no proper and adequate consultation with the representatives of those involved.

This bill puts a burden on civil servants in many cases while giving them no opportunity to be heard. Many will pay for years and receive no money back. If a private employer did things in this fashion there would be an outcry. Would it not have been fairer to assemble certain facts—for example to find out how many are carrying as much insurance as they think they can under the present Civil Service Insurance Act and otherwise; to find out how many women regard this procedure as a star chamber imposition, not for their benefit but for the benefit of others whom the government has selected as the objects of their benevolence. Would it not have been better to find out in a real way the attitude of the men in the forces? Let us take one small suggestion that came out. I do not propose to refer to it at length, but it struck me as common sense having regard to what the minister said when introducing the bill. He described it, in a manner of speaking, as a kind of burial measure. I notice that one of the representatives suggested that if it was a burial measure, perhaps $1,000 would be enough with which to get buried.

As I listen to my own words, inadequate as they are—200,000 people being dragooned in this fashion; it sounds almost incredible to me that it should be so—I ask myself, am I unfair? To answer that question I shall quote from these briefs at some little length. I shall be as brief as I can, but I think it is essential that these things should be on the record.

First of all, as to the matter of consultation, I read from the brief of the Civil Service Federation of Canada:

> The various staff associations affiliated with the Civil Service Federation of Canada protest strongly the fact that they were not given an opportunity to study the plan before the bill was introduced.

That is plain enough. Then I come to the Amalgamated Civil Servants of Canada. They say as follows:

> However, in the matter of death benefits, and not to labour the point, no organization on the national joint council had authority to either consult national executives or membership until Wednesday, May 26th. On which day the second reading of the bill was given in the House of Commons. From that date to this being far too short a time to afford proper consultation.

I will say that it was too short a time. They continue:

> Therefore, in consulting the national joint council some twenty individual views were obtained by the government. It being clearly understood that no staff-side representative could be considered as speaking for his or her organization.

I now come to the Professional Institute of the Public Service of Canada which says this:

> The professional institute regrets that the public service was not asked beforehand for an expression of the opinion of a good cross section of all units on the radical departures involved in this plan as the armed forces were.

They were optimistic in thinking that the armed forces were asked. The brief continues:

> In effect the preliminary negotiations for this scheme took the form of consultation with members of the national joint council and one of its subcommittees as individuals only, not as representatives of their organizations. Consequently, the view of the institute is that the public service was not given an opportunity to consider the proposed plan before Tuesday, 25 May 1954.

Then I come to the Civil Service Association of Ottawa which says this. They refer to what Mr. Taylor had said on Thursday last and state:

> It is my understanding that the national joint council, as an employer-employee council, was not in a position to make any endorsation of the plan, as most of the staff side representatives were only able to express their views as individuals. This

proposal was presented to the council in a very unusual way, which involved the strictest secrecy on the part of all members of the council. The staff side were unable to deal with this subject in their normal way, by taking it back to their associations for guidance. The staff side cannot function as part of the council unless the association representatives can speak on behalf of their associations. And unless the staff side is allowed to proceed in this way, the council itself cannot function as an employer-employee body.

The procedure followed by the government in only allowing the members of the council to make personal suggestions on the plan presented to them was, in my opinion, an indication that the government lacked confidence in its employees and their associations to handle a subject of this nature.

Last I come to the comment of the Department of Veterans Affairs organization which says this:

We feel strongly that any bill concerning the entire body of civil servants should be brought to the attention of that body before such legislation is introduced in the House of Commons.

They feel that strongly, and any sensible person should feel it strongly. I come now to the compulsion side and I read from the brief of the Civil Service Federation:

It is recommended that civil servants be given the option as to whether they contribute in accordance with the amount of their salary or up to $3,000, say, to a grade 4 level; and on the amount of their salary or $5,000 above that level.

And again at page 2:

It is recommended that the compulsory feature of the act in regard to employees having reached age 60 be changed to give them the right to elect for participation;—

Then I read from the brief of the Amalgamated Civil Servants of Canada:

I am in no position today to support the bill in all its aspects. From a sampling of opinion received to date, however, it appears that the principle of the bill is widely acceptable. On the other hand, opposition is developing to the compulsory feature. In evidence of this I would cite a telegram received from our Vancouver local council, a council with a membership of close to one thousand.

"Vancouver local council agree in principle to life insurance (death benefits) scheme but protest compulsory clauses—"

Again at page 2 of the brief of the Amalgamated Civil Servants of Canada:

I would, therefore, on behalf of my organization very strongly and heartily support the principle of the bill, and in this also express to the government our appreciation. On the other hand, I must just as strongly oppose the compulsory features of the bill, and request the same be amended so as to provide that the plan become elective.

Then the professional institute at page 3 of their brief say:

The compulsory nature of the proposed scheme is objected to by a number of individual public servants. It is felt that they have certain rights as individuals, irrespective of what the majority view might be. The large number of public servants who will benefit from the scheme are not entitled to enjoy unusually low premium rates if these rates are based on compulsion applied to individuals who would prefer not to be insured.

It is, therefore, felt that those already in the civil service should be given an opportunity to remain out of the scheme, thus staying under the Civil Service Act, section 56.

The Ottawa association at page 8 of their brief say this:

—and that further consideration be given to the universal, compulsory feature of the present bill.

In the light of these quotations, Mr. Chairman, is it any wonder that strong objection is taken to the compulsory nature of the bill by the veterans affairs organization? They comment on the compulsory feature as follows:

The majority of us are very gravely concerned with the arbitrariness of the legislation . . . Such disregard of the will of the people seems to bear the taint of authoritarian paternalism . . .

Yet the government goes on from one arbitrariness to another. I have already referred to the fact only a fraction of the civil service could be communicated with in the time available. I have pointed out the extraordinary unanimity and forcefulness of their objections on the two counts that I have stressed. Yet the government goes on. When there was some apparent delay last week I had hoped that it might be possible that the arguments put forward in the committee had had some weight. But if indeed there ever was any thought of adopting a reasonable course, it has evidently been put aside. I can only urge the government that even yet they adopt a course which, I submit, would be reasonable and natural and, indeed, with a good employer, inevitable.

I urge them to deal with their employees as responsible men and women. As I said earlier, why should the civil servants be singled out for this kind of treatment? Are they not responsible people? Are they not people whom we all respect? I said in the committee when I opposed the reporting of the bill that if it were reported in its then form it would be reported utterly regardless of the weight of evidence before the committee, and I can only hope that this committee will consider the weight of evidence and will not follow the course taken by the banking and commerce committee.

**Mr. Knowles:** Mr. Chairman, we had a good deal to say about this measure when it was before the house at its previous stages, so my remarks on this occasion will be very brief. We indicated then that we supported the legislation and that is still our position. We think there is something to be said by way of criticizing the government for having failed to consult those concerned in advance. I need not go into that because that criticism has been made both in the banking and commerce committee and just now by the hon. member for Greenwood. That criticism

has also been expressed by some of those speaking on behalf of certain civil service organizations. As I say, I think the government has that criticism coming to it.

Nevertheless, Mr. Chairman, we feel that the offer made to civil servants in this legislation is a beneficial and advantageous one. One of the reasons that I wish there might have been consultation in advance is so that our civil servants might have been sold more fully than has been the case on the advantages of the plan being introduced by this bill. There is a question I should like to put to the minister which perhaps puts the point across. I should like to ask him, on behalf of non-civil servants who have indicated to me they would like to take advantage of this plan, whether it will be extended to include those outside the civil service.

**Mr. Abbott:** Whether what?

**Mr. Knowles:** Whether it will be extended to make it available to people outside the civil service. The minister shakes his head, but my question makes the point, namely, that there are people who will not have the advantage of this plan who see it as a very good one. As I say, I wish there had been an attempt made before the legislation was brought in to sell the good points of the plan to the civil servants.

A good deal is being said about its compulsory feature. I notice that if you are opposed to the plan you call it a compulsory plan and if you are for it you call it a universal plan. The two words mean the same thing, in the end. But the minister this morning, and others who have spoken on the legislation previously, have pointed out that the only possibility of any scheme of insurance being provided at low rates arises when you have what we call universal coverage. Something more on that basic principle will be heard from us before the week is out, certainly before the session ends, with regard to the desirability of a national health insurance program.

I think too that an educational job might have been done and may well yet have to be done with regard to the nature of the protection that is afforded by the plan. People are confused about insurance. I do not think that insurance agents are to blame for all that confusion but they certainly help to create it by trying to sell people these policies under which they are supposed to win either way. People do not realize that in any kind of insurance that affords protection there is a certain part of the cost which is the cost of the protection, and if you do not die within the period in which you are protected that element which covered the cost of protection is, to use a colloquial term, "down the drain". What people do not realize is that if you outlive the period for which the protection was provided and thereby do not get your money back, you have not lost, you have won. You have won in the sense that you are still alive.

As I say, I think a more useful job might have been done by way of educating civil servants as to the nature of the protection that is being afforded by this plan and as to the exceptionally low rates that the civil servants are getting. As I say, we wish there could have been consultation in advance, and we hope that even yet a greater job of educating civil servants as to the nature of the plan will be done. But even so that does not detract from the fact that this is a very beneficial and advantageous offer that is being made by the government to our civil servants.

A number of things came out in the committee that interested me. I think it is splendid the way in which the $5,000 ceiling applies even in the case of persons who might now get as much as $2,500 by way of the two months' death benefit if they are in a high bracket, whereas those a little lower down will get a greater advantage if they die while in service. I think too that the right afforded to a civil servant who has been in the service for five years to take the insurance with him and carry it for the rest of the allotted time, if he wishes to do so, is a good idea. In view of that, I do not think it is so terribly farfetched for me to ask my question whether a plan like this might be made available to the people of Canada generally. In closing I can sum up the way we feel about this measure by saying that I have run across a good many people who will not be able to qualify for this protection because they are not civil servants who wish that this plan could be made available to them.

**Mr. Abbott:** Perhaps I might say one word here. Hindsight is always very informative, and I am more than prepared to agree with the hon. member for Greenwood and the hon. member for Winnipeg North Centre that the explanation and public relations aspect of this measure and its presentation could have been improved on. Frankly, to me it seemed so beneficial, so desirable, that I was quite astonished at the opposition which developed in some quarters. I fully realized of course that in a universal plan of this kind you cannot please everybody, but I did feel that it would and should receive wide acceptance.

The ministry of finance is certainly not a portfolio in which one is trained in idealism,

but I did feel that the great body of civil servants would be ready to contribute to a plan from which a good many would never derive any direct monetary benefit in order to benefit those who would need it very badly. The difficulty of prior consultation can be appreciated by the committee. Once a plan of this sort is discussed generally the older civil servants particularly would say: My goodness, I hope that can be made applicable pretty quickly because it would be of great value to me if anything happened to me. Therefore the government felt, having studied it as carefully as it could, having consulted the national joint council which is representative of most, if not all, of the great civil service organizations, that it was justified in bringing in the measure, and I am convinced we were.

So far as the lack of prior explanation and public relations are concerned, I must take the greatest measure of responsibility for having failed to do that, but I am convinced it is a good measure and I am convinced it is a measure which should be adopted at this session.

**Mr. Low:** Mr. Chairman, I think that the minister could well have delayed his remarks until he had heard the views of all the different groups in the house.

**Mr. Abbott:** I only wanted to deal with the public relations part of it.

**Mr. Low:** I am going to have something to say about the public relations part of it too. I think there is too much inclination to disregard certain points of view in this house, and I protest against it. At the same time, I must be very critical of the way this whole matter has been handled by the government. No matter how much the minister may protest that the government gave adequate consideration to this bill, the fact remains that the civil servants were not given an opportunity to give the bill that careful consideration they so much desired, and which should have been given. The government stands condemned today because of the fact they are attempting to ram something down the throats of people who do not want it. It may be said that there will eventually prove to be a vast majority of civil servants who are in favour of it; that may be. But we do not know it now. They have not been given the chance to register their views. Only a comparatively few were given an opportunity to register an opinion, and among those who did there was a very strong protest against the way this whole thing had been handled.

I am not arguing for one moment the good purpose of the bill. I think the purpose is good. Certainly anyone who has taken the trouble to look at it can see the purpose is good, and the principle involved is sound. I am amazed at how lightly my hon. friends to the right are prepared to take this matter of the serious abridgement of the right of people to choose whether they shall come into a thing of this kind or stay out.

**Mr. Fleming:** Hear, hear.

**Mr. Low:** I am amazed at it. It is so easy to argue that because a thing looks good to a certain number of people, it must be good for all the people. I am amazed at how easy it is for my hon. friends to say that the cheapest thing is the best thing. If you carried that argument to its logical conclusion, the only conclusion to which you could come would be that it would be wise for some central agency of this country to buy up all the food that is necessary for the people, sit them down to the same kind of table and the same kind of food all over the country because you can get it cheaper that way. It is ridiculous to argue that sort of thing. I maintain that the important principle at this time is the principle of compelling people to give up their right of choice.

**Mr. Knowles:** Would you want education changed from a public to a private basis?

**Mr. Low:** Are you going to carry that argument to its logical conclusion, and take away all the rights of the people? I know the hon. member would because that is the principle by which he lives.

**Mr. Knowles:** Nonsense.

**Mr. Low:** That is the principle of socialism; that is the thing to which we object, and object strongly. As I said, I believe the government did a very poor job of selling this business to the civil servants. Certainly the government gave the measure consideration, but they did not give the civil servants an opportunity to learn, to study and to come in voluntarily.

Now, this is the position that we take. We do not object for one moment to surrendering some of our freedoms in the way that we want to surrender them, but we do object to people coming along and taking them away from us when we do not want to surrender those freedoms. The hon. member for Greenwood hinted at something that I have said on numerous occasions, when a man marries a wife or takes a job with an employer, he does give up some of his freedom to his wife or to his employer as the case may be. He does it in a way that he wants to, and that makes a difference.

**Mr. Abbott:** Would my hon. friend permit a question?

**Mr. Low:** Yes.

**Mr. Abbott:** Does he believe that contributions to a superannuation fund for pensions and so on should be on an optional basis?

**Mr. Low:** I believe as a matter of fact that in many cases—the minister knows this as well as I—if you give people a chance to study the matter and come to a conclusion of their own, they may elect to come into the scheme. However, they are certainly going to set their feet against being forced into it without consultation. I shall say this, too. No majority, I do not care how big it is, has a right to expect benefits at the expense of the minority without the minority giving their consent; that is what we call government by consent. It is the very basis of democracy, and the rights of the minority have to be respected.

**Mr. Abbott:** It could be called government by veto, too.

**Mr. Low:** We have government by veto, too, but there are ways by which the government can overcome any opposition to this measure. They could have gone into it with a view to informing those who are going to be considered, giving them all the information which they needed, so that they could make up their own minds. Of course, that is a selling job.

I just ask the minister how far he would get in a move like this amongst a group of farmers in western Canada, or any other part of Canada, who may be thinking in terms of some sort of compulsory marketing legislation. I wonder whether he would get the view of their counsel, talk to them for a while and get their consent and then try to go ahead on the basis of compulsory marketing being forced on all the farmers in the country? He would find himself in a hornets' nest right away.

**Mr. Nicholson:** That is being done now with wheat.

**Mr. Low:** Yes, but that came after consultation; the people in the field gave their consent, the farmers organizations and the farmers themselves. People, as I say, do not mind surrendering some of their right of choice, provided they have an opportunity of giving their consent. I say that in this case they were not consulted and they were not given a chance to give their consent; that is the important thing against which I am speaking today. As a matter of fact, I go along with the hon. member for Winnipeg North Centre, and I think it might have been possible, had the government been prepared to take a little more time, to bring in the majority of the civil servants into the scheme. I am not convinced, even then, that it would not have been possible to provide a form of cheap insurance for all who wanted to take part in the scheme, even if there were small groups who wanted to contract out. I have not been convinced of that because I do not believe the investigations were carried far enough along that line.

Even if it costs the vast majority of civil servants a little more it would have been justified by the fact you would have given certain groups who are now strongly opposed to being forced in a chance to contract out; that is an important principle. People should be given an opportunity of contracting out of something in which they do not want to participate, particularly if the difference is not too great. I do not argue for one minute that we do not have to surrender some of our right of choice in the common good; the extent of it is the important thing about which I am arguing. I do not want this principle to be carried too far forward or we will some day find ourselves without any freedoms. I value those freedoms, and I am prepared to fight for them.

**Mr. McIlraith:** Because of a rather long association with legislation pertaining to the superannuation of the public service of Canada I was particularly interested in this bill now before the committee. Since the legislation was dealt with by the house a great many protests have been heard about what is stated to be the compulsory feature of this bill. Quite frankly, because of those protests I was very much concerned. They were obviously put forward by people who were quite sincere.

Being concerned with the representations made I took the opportunity of trying to find out if there was any way of meeting the wishes of those persons or meeting the difficulty about which they spoke. I came to the conclusion that there was no way of meeting their wishes. I came to the conclusion also that some of them misunderstood the bill, and after a few weeks of discussion it became apparent, as I found out more about the whole measure and about possible alternatives, that there was some real lack of appreciation of the actual content of the bill. I became very much concerned also with the possibility of delaying this measure until the next session of parliament.

I must, I think, tell you quite frankly that I came to the conclusion that I for one could not take the responsibility of asking for delay of this measure until the next session of

parliament, because the measure was too beneficial and involved serious consequences to too many people for me to take the responsibility of taking such a position. For that reason, here today in committee of the whole and well aware of the opposition to the bill, I am hoping that it will proceed through all stages in the ordinary way.

There are one or two other matters which have arisen in discussion that concern me. The hon. member for Greenwood referring to the national joint council, and the evidence before the committee on banking and commerce, stated that some witnesses representing the council—and I do not have the names before me—took the position that persons who are members of the national joint council considered this measure but that they considered it only as individuals. He went on to say that they had had no opportunity to consult with civil service bodies at large, or with civil servants generally.

I would point out to the hon. member that the persons on the national joint council, the two sides of it, were chosen either by the employee organizations or the government presumably because of their representative capacity and their knowledge of all matters affecting the particular group of civil servants whom they were supposed to represent. So that it is scarcely a complete answer for any of them to say that they could consider the matter only as individuals. It seems to me that is overstating their position. And if they seek to continue to represent that body—and by the way it does excellent work, and is a splendid body—they must take a position that involves them in accepting wider responsibility, when they have no opportunity of pre-consultation.

That brings me to another point in the discussion today that is quite alarming, and that is that members of parliament do not assume the responsibility for the legislation but rather they ask that the persons affected by the legislation have a right to pre-consultation. Well the whole kick some years ago was that public legislation was announced out of the house, that it was not announced in the House of Commons.

This legislation was introduced where it should properly be introduced, namely, in the House of Commons. I was quite concerned to hear the so-called question of principle being debated back and forth. I hope the hon. member for Peace River will not misunderstand me, but I took from his argument a virtual request for a referendum. That is the very principle of parliamentary government we have not adopted in this country. It is directly and fundamentally opposed to our system of government. I believe that, however difficult it may be for us, no matter how unpleasant it may be, we have to assume the responsibility as members of parliament for the legislation. And I do not think we can go back and say, "Well, this group of employees, this association representing the public service, did not have a chance to consult its body of civil servants before giving an opinion."

**Mr. Low:** On a question of privilege, I should like to straighten out my hon. friend on one point. I did not suggest a general referendum, at all. I did suggest consultation with those who are concerned in this whole matter, because it is not a general principle that can be applicable to the whole of Canada.

**Mr. McIlraith:** I am glad to have my hon. friend's explanation; but I hope that explanation makes it very clear that it is consultation after it is introduced in the House of Commons, not before it is brought to this parliament.

**Mr. Low:** I was referring to consultation before the bill was brought in; and that is where it should have been.

**Mr. McIlraith:** I must make it clear that I cannot accede to any proposition that involves consultation as to the contents of a bill of this sort before the measure is brought to parliament. I quite agree it is unfortunate that in this case we were not able to have as much consultation after it was brought in as might have been desirable. But I cannot accede to any proposition that—

**Mr. Lennard:** The Legion does it in connection with veterans affairs.

**Mr. McIlraith:** I still take the position that I cannot accede to that proposition.

**Mr. Knowles:** There was also advance consultation with respect to the members of parliament pension plan and also on the old age security and old age assistance plans.

**Mr. McIlraith:** That was a different thing. The old age assistance plan was worked out by a committee of parliament, and the proposed legislation was not submitted first to the group benefiting immediately from it. In any event, if my remarks do imply criticism of any legislation—and I cannot think of any at the moment—they will have to stand as they are.

It seems to me that when the benefits of this legislation are fully understood they are of a nature that will make the legislation wholly agreeable to the majority of those now opposing it. In dealing with them I found in case after case, when they came down to a discussion of the personal situation

of a civil servant who was opposed, in discussing estate matters with him, or matters affecting dependents or potential dependents, in a surprising number of cases it turned out that the very person protesting against the legislation came to appreciate it, and did appreciate it, when it was understood.

**Mr. Low:** Would it not have been better to have that appreciation before the bill is rammed through parliament?

**Mr. Abbott:** There are 200,000 of them.

**Mr. McIlraith:** It would be better to have that consultation first. But the bill is not being rammed through parliament at all. And if anyone wishes to get into that discussion, I will discuss it.

**Mr. Macdonnell:** Can you give that assurance in writing?

**Mr. McIlraith:** Yes, I am putting it on the record in *Hansard* right now.

**Mr. Macdonnell:** That is, that it will not be rammed through.

**Mr. McIlraith:** It is not being rammed through; that is a misuse of the English language.

**Mr. Macdonnell:** Then I will change it to "jammed".

**Mr. McIlraith:** No, it is not being jammed through either. Under our system of parliament we give members of the opposition the opportunity—and properly so—to debate matters on a motion to go into supply and to debate the throne speech—

**Mr. Knowles:** How kind of you!

**Mr. McIlraith:** And that does involve government measures being delayed until private bills, and other matters, are disposed of. A great deal of the time of parliament is taken up with such measures. Mind you, I support that system, but I do not think we should try to confuse the public as to what the consequence of that system is. The consequence is that public measures like this are held back until just about the end of the session, because parliament did not give an opportunity for them to go forward.

**Mr. Lennard:** Why did you not bring it in earlier?

**Mr. McIlraith:** I admit the difficulties in the situation. I think our present parliamentary procedure is a very good one; but let no one misunderstand what holds back government legislation from appearing on the order paper earlier in the session.

**Mr. Lennard:** Because you do not have it ready, that is the reason.

[Mr. McIlraith.]

**Mr. McIlraith:** Perhaps I am out of order in discussing this; but I know something about that, too. I have sat here many weeks with pieces of legislation ready to go forward, which could not go forward because private members' legislation, and other matters which are properly discussed by parliament, were under discussion.

In any event, reverting to the measure before us, I wish to make it perfectly clear—

**Mr. Cardiff:** You were not in favour of it.

**Mr. McIlraith:** I recognize the existence of the opposition to the bill, but I did come to the conclusion that I at least was unable to find any workable solution that would meet that opposition and satisfy the ones opposed to the measure. I had also come to the conclusion that it would be indefensible—at least I would not take the responsibility of seeking to have this measure put over until the next session.

**Mr. Fleming:** This measure before us is an exceedingly important bill. Since I sat on the banking and commerce committee and there heard the evidence tendered to that committee by representatives of five of the recognized associations of civil servants I say to this committee that the overwhelming weight of that evidence is against pressing this bill under the present circumstances as a compulsory measure without consultation. There is the weakest case, among all the cases put before the house at this session, for proceeding with this measure now without consultation, and I am satisfied, Mr. Chairman, that the only reason why this bill is being pressed on the house as a compulsory measure at this moment is that the government's petulant, stiff-necked attitude, of which we see a great deal in this house, will not admit of any delay or brook any such thing as loss of political face.

Surely, Mr. Chairman, there was a purpose in referring this measure to the banking and commerce committee.

**Mr. Abbott:** The hon. member is never short of adjectives.

**Mr. Fleming:** That is a committee of fifty members of this house. That committee heard the evidence. The evidence of that committee, Mr. Chairman, became available in printed form to this house just one hour ago. How many members of this house have read the evidence taken before the standing committee on banking and commerce, that very important evidence that the house sought in referring the measure to that committee? Has the Prime Minister read the evidence? Has the Secretary of State for External Affairs read the evidence? Has the

Minister of Transport read the evidence? Surely we can assume that the Minister of Finance has read the evidence over in the flimsy form, but I wonder how many of his colleagues have read the evidence taken before the banking and commerce committee, including as it did not only the briefs that were submitted by four of the five associations, the fifth putting its views forward in oral form, but also the questions put to and answers given by every one of those representatives. Let us know how many members of the government opposite have read the evidence.

**An hon. Member:** Has the hon. member read the evidence?

**Mr. Fleming:** Who said that? Stand up. Yes, I have read the evidence. I was present at the sittings of the committee and heard all the evidence. I have read the evidence twice since, and I hope that the hon. member who has just now contributed an interruption as the sum total of the value of his contribution in debate will take the trouble before the vote is taken on this measure to read the evidence, and read it all—and I tell him right now there are over one hundred pages of it.

I say this, no member of the government opposite has any right to ask this house in these closing stages of the session to be parties to ramming this measure through, a compulsory measure, without at least having done those who appeared before the committee the simple justice of reading their representations, reading their evidence in detail and then addressing their minds to the issues presented by that evidence.

Now, sir, it was interesting to hear the contribution from the hon. member for Winnipeg North Centre in this debate. He was not a member of the committee. I would have been interested to hear the views of the C.C.F. members who were members of the banking and commerce committee.

**Mr. Nicholson:** Give them a chance.

**Mr. Fleming:** Well I am looking forward to hearing them, because it would surpass my comprehension that they could urge this measure being jammed through after hearing the evidence they did from responsible representatives of the various civil servants' organizations; but it does not surprise me to hear the hon. member for Winnipeg North Centre urging the use of compulsion as in this measure. It is part and parcel of the regimentation that is inherent in the socialistic ideas of the C.C.F. A measure that is compulsory and that involves regimentation is quite acceptable to them in principle.

Let us examine the scheme. What does it involve, Mr. Chairman?

**Mr. Knowles:** May I ask a question?

**Mr. Fleming:** With pleasure.

**Mr. Knowles:** Does the hon. member support universal education and universal taxation to pay for it?

**Mr. Fleming:** Yes, I do, and I wish the hon. member had a little more of it; he would then be a wiser man.

**Mr. Knowles:** Such regimentation; I am surprised!

**Mr. Fleming:** There are several outstanding features of the scheme set out in this bill. The first outstanding feature of the scheme, what one witness described as a fundamental feature of this present scheme, is that it is compulsory. Willy-nilly, every member of the civil service, every member of the armed forces, whether he wants it or not, is to be subjected to these deductions from his pay or salary.

**Mr. Abbott:** Just like his superannuation.

**Mr. Fleming:** Oh yes, but the superannuation is quite a different situation, because everyone going into the civil service today, and for years past, yes for a generation, has known that there was superannuation—

**Mr. McIlraith:** No.

**Mr. Fleming:** —and that there were deductions. A man who is in the civil service today has not any option in this matter of insurance at all. There is no suggestion in this bill, there has been no suggestion from the Minister of Finance of meeting the point raised in several of the briefs that if you are going to have a compulsory feature, at least you have no right to apply it to those in the civil service today; at the very least you should limit the compulsory feature to those who enter the civil service after today, so that persons entering that service have a knowledge that they are to be subjected to these deductions, and will know that that is the position in the service which they are entering. There has been no—

**Mr. McIlraith:** Will the hon. member permit a question just on that point? Applying that principle, then, all the superannuation legislation from 1944 on could not have been made applicable to the civil servants, because in each case it was made applicable on a compulsory basis to civil servants already employed.

**Mr. Fleming:** Mr. Chairman, that is no reason whatever for applying the insurance

scheme on a compulsory basis. If the hon. member is so wedded to the idea of compulsion, then I am quite sure the bill will find approval in his mind. I do not believe in applying it on a compulsory basis.

**Mr. McIlraith:** The point that I was seeking to make was that the principle, right or wrong, was the same in the superannuation legislation. It might be a wrong principle. The point I was seeking to make was that there was no differentiation.

**Mr. Fleming:** If the hon. member is agreed that it is a wrong principle—

**Mr. McIlraith:** No, I am not agreeing to that.

**Mr. Fleming:** I was speaking of the features of the bill. I said the first one was the compulsory feature. In the second place we are asked to apply it to all personnel of the service and all personnel of the forces.

The third feature is that the benefits are of a very limited nature. That is something that I think has escaped adequate appreciation in the way the government has put this before us or has discussed it at another time.

These are extremely limited benefits. There is nothing provided except a death benefit. It is the barest kind of insurance, the barest you can imagine. There is no secret about that, and we well know that when the civil servant passes the age of sixty and enters his declining years the benefits begin to undergo reduction as well, and by the time he has reached the age of seventy there is no insurance left, none whatever.

Let us recognize at once, Mr. Chairman, that this is not the ordinary kind of group term insurance with which many hon. members are familiar. Let us look a little further at the attempts that have been made to compare this scheme with existing schemes of group insurance. The fact of the matter is that there is no fair basis of comparison of this scheme with any existing scheme.

Now, we had some curious assertions on the part of Liberal members in that committee. The hon. member for Vancouver South unburdened himself of the authoritative assertion that this was the kind of insurance which if written through some private organization would cost 80 cents per thousand per month, or double the figure named in the bill. Well, I hope the hon. member has learned the error of his ways because the facts were put before the committee by Mr. MacGregor, superintendent of insurance. Mr. MacGregor disposed completely of nonsense of that kind. He drew attention in the first place to the fact that the largest group covered by any system of group insurance in Canada written hitherto is 15,000. The group proposed by this measure numbers 230,000, more than 15 times the size of any existing group covered by a group insurance scheme in Canada and, as Mr. MacGregor pointed out, this is of a different order entirely. I would refer members to what he said at page 1736 of the evidence when, comparing this scheme with any other existing scheme, he said it was extremely difficult to make any valid comparison and, comparing this scheme with any other group insurance scheme in existence, he said it was of a different order entirely.

Mr. MacGregor pointed out as well that the cost of a scheme would be governed, broadly speaking, in inverse relationship to the size of the group. Here you have a group 15 times the size of the maximum group under any existing group insurance scheme in Canada today. If the cost moved down with the upward extension of the group involved it would appear, Mr. Chairman, that the proposed cost should be very low and we therefore ought not to accept the views of those who try to promote the idea that this is cheap insurance.

The hon. member for Vancouver South also heard Mr. MacGregor say in the course of his very impressive evidence that schemes of group insurance in Canada today run down in cost to 50 cents, 45 cents, and 42 cents per thousand per month. There are schemes of group insurance in existence in Canada today that are cheaper than this scheme. The cost of this scheme is not just 40 cents per thousand per month. The government is contributing the equivalent of eight cents per thousand per month. Mr. MacGregor stated that you could reckon the cost of this scheme at 48 cents per thousand per month, and there are in existence in Canada today group insurance schemes with smaller numbers involved than the 230,000 involved here on which the cost is less than 48 cents per thousand per month, as is provided in this bill.

Mr. MacGregor's evidence has torn to shreds and tatters this airy talk from the government about this being such a cheap scheme of group insurance. Has anyone else been asked to submit figures on cost so that we might at least test whether this is the lowest cost available? The answer, Mr. Chairman, is no. The life insurance companies offered their services but they were not asked even to quote any rates or make any studies. It was the government's decision that no one should be consulted as to any other rates, and consequently we have one rate put before us and no basis of comparison

on the part of anyone else who might have been willing to quote it. We know, according to the evidence, that this scheme carries a higher rate than is in existence in certain other schemes of group insurance in Canada today.

Now, Mr. Chairman, let us recognize also that group insurance of the kind in existence in Canada today in many group schemes is quite unlike this scheme in that this one offers no benefit except the death benefit. There are many advantages which the normal system of group insurance has which are not offered by this scheme. Surely, Mr. Chairman, that ought to be taken into account in weighing whether this is a cheap, reasonable, or expensive scheme. If hon. members look at page 1738 of the evidence they will find that Mr. MacGregor gives a catalogue of the various benefits normally written into policies of group insurance and he indicates some of them which are very valuable.

He refers to the fact that there is often an opportunity given for increasing the total amount of death benefit, and that there is provision for converting to other types of life insurance when the individual ceases to be a member of the group for any reason. He points out, in addition, that these policies of group insurance very often include disability benefits and also—and this is very important—that in these insurance schemes involving a group of employees the employer normally pays a much larger relative proportion of the total cost than the one-sixth which the government is proposing to pay under this scheme.

The government, Mr. Chairman, has of course the advantage here with respect to this type of insurance because, as we were told by Mr. Taylor and Mr. MacGregor, the government has all the superannuation records available today, and adding the insurance to the superannuation figures on the card or record of any employee means that there does not have to be the same duplication of work as would be required if the insurance were placed elsewhere. That may be the advantage that weighs with the government and it ought to show itself in a very cheap scheme.

**Mr. Philpott:** It is a cheap scheme.

**Mr. Fleming:** Cheap in terms of the benefits offered, but what justifies this great authority, the Secretary of State, with all his lack of experience, saying this is a cheap insurance scheme? I would like to tell him that if he knew a little more about the evidence given by those who are competent to give evidence on this matter then he would not talk so glibly about cheap insurance because the evidence indicates that this insurance is not as cheap as it ought to be.

**Mr. Pickersgill:** A point of order, Mr. Chairman.

**Mr. Chevrier:** Why do you not resume your seat when there is a point of order being raised?

**Mr. Fleming:** I thought the hon. member wished to ask a question.

**The Chairman:** Order. Is the Secretary of State rising on a point of order?

**Mr. Pickersgill:** Yes, Mr. Chairman. The hon. member has mentioned the office I hold and attributed something to me. But I have not uttered one word today on this matter. However, since I am on my feet I might just say I wish this scheme had gone into force on June 1 last year.

**Mr. Fleming:** Mr. Chairman, may I give a word of explanation and tender an apology to the Secretary of State. I heard an interjection from that direction and it so happens that from where I sit the Secretary of State's seat is in direct line with that of the hon. member for Vancouver South.

**Mr. Knowles:** The hon. member for Vancouver South has become a ventriloquist as well as a columnist.

**Mr. Fleming:** I heard the interjection coming from that direction and because most of the interjections, particularly the empty ones, in the House of Commons come from the Secretary of State I naturally assumed that this particular interjection came from the Secretary of State. However, I am told that is not so, and I extend an apology to the hon. gentleman and I direct my remarks to the hon. member from whom the interjection came. I am told that was the hon. member for Vancouver South.

**Mr. Pickersgill:** I accept the hon. member's apology and if I may make another empty observation I might point out to the hon. member that a few moments ago he split an infinitive.

**Mr. Fleming:** Mr. Chairman, if I split an infinitive I can assure the hon. gentleman it was inadvertent because I abhor the practice, but perhaps there may be something less serious about splitting infinitives than splitting hairs about what constitutes cheap insurance, and I might inform the hon. member that all he has had to say so far has been splitting hairs, and that is borne out by the evidence which was placed before the banking and commerce committee.

I might also ask the hon. gentleman the same question I asked the Prime Minister, and those members of the government who were in the house at the time, whether he has read the evidence—the approximately 100 pages of it—taken before the banking and commerce committee. If he has not done so I say he has not the right to come before the House of Commons and to support this bill. In the face of the evidence that was given there on the part of representatives of responsible associations of civil servants, what right has he to disregard the views of the civil servants? What right has he to disregard the evidence given in the banking and commerce committee? It makes a farce out of parliamentary procedure. It makes a hollow, shrieking farce out of the reference of these matters to standing committees of the house for study.

**Mr. Pickersgill:** "Mockery" is the word.

**Mr. Fleming:** It makes a farce of it, as I said; and there is not anybody who contributes more to making a farce out of things than does the hon. member who has just interrupted me.

I now have a word to say on the compulsory features of this bill. The government has made light of the compulsory features of this bill. We had a most revealing statement from the Minister of Finance this morning.

**Mr. Abbott:** As usual.

**Mr. Fleming:** In his jocund, offhand manner—

**Mr. Abbott:** Thank you.

**Mr. Fleming:** —he said, "I think it is an excellent bill and therefore the government thinks no good purpose would be served by delay". There you have it, Mr. Chairman. The minister thinks this is an excellent bill. It does not matter what other people think.

**Mr. Abbott:** I did not say that.

**Mr. Fleming:** It does not matter what was the overwhelming weight of evidence given before the committee. It is enough that the minister who introduced this bill thinks that it is an excellent bill. Therefore no good purpose would be served by further deliberation, further study or further consultation on the part of those upon whom exactions are to be imposed under this bill.

No, Mr. Chairman, in the government's thinking there is no place for consultation. The minister thinks this is an excellent bill and that is enough; and apparently, as far as the House of Commons is concerned, that is to be enough for the majority in the house that normally supports the government, because this bill is to be jammed through today without those hon. members being given an opportunity even to read the evidence that was taken before the banking and commerce committee.

There are 104 pages of that evidence. Every word of it ought to be read, weighed, carefully considered and digested by every member of this house before he commits himself on a bill involving serious compulsory features. Nobody in the House of Commons or outside of it knows where the preponderant feeling of those to be affected by this bill lies with respect to it. There is not any member of this house who has any right to say that he thinks it is desired by a majority of those to be affected, either in the civil service or in the armed forces, because nobody has that kind of information. On the contrary such limited information as is available with respect to the feeling within the civil service indicates that there is a strong feeling against it and that they want time to consider it.

Mr. Chairman, if this were an optional measure, there would then be a perfect reason for the government to say, "We are not forcing this on anybody; nobody who does not desire it is required to take it". There would then be a perfectly good reason for going ahead, if it were the best scheme available, after due consideration of the possibility of improving it without its being a compulsory scheme. But when you are making it a compulsory scheme surely the minimum obligation is to know the feeling on the part of those to be affected by it.

That leads me, Mr. Chairman, to make some observations on this matter of consultation. There was a curious confusion of principle on the part of the hon. member for Ottawa West in what he had to say on the subject of consultation. I know this was not intended on his part, but I think I must make the matter quite clear. What was proposed in this matter of consultation was not that the bill be submitted to some group outside of parliament for veto. It is rather that the scheme involved in the bill should be the matter of consultation between the government on the one hand and those who are to be directly affected by the scheme on the other. It was a scheme, not a bill, that was discussed by the government, principally through the deputy minister of finance with the national joint council. But let it be remembered, Mr. Chairman, that every member on that national joint council had his lips sealed by the government.

This matter was first mooted last November. Consultations with the national joint council were held, but the members of that national joint council were told at every stage that they were not to discuss this matter with anyone outside the national joint council. Not one of them was permitted to discuss this scheme even with the executive of his own organization. There was on the part of the government an attempt to place on a group, a score of individuals, the responsibility of attempting to speak for civil servants numbering over 110,000 persons. If you look at the evidence you will see that those who sat on that national joint council, whose lips were sealed by the government, and who were denied any opportunity of consultation with those they represented, whether at the executive level or at any other level, said that they were not prepared to take that responsibility. They rebelled at the idea of having imposed upon them by the government the responsibility for speaking on this matter for over 110,000 civil servants.

I ask hon. members of this committee to weigh that fact carefully. As the hon. member for Ottawa West has said, it is true that these members sat on that national joint council as representatives of important groups of civil servants. But let us consider their position. They sat as individuals with sealed lips. Then the chairman of the banking and commerce committee—and this was a curious development—produced some newspaper reports, one I think in February and one in April, indicating that there had apparently been a leak and that the details of the scheme had leaked out. The chairman of the committee asked these five representatives of important associations of civil servants if, in the light of the fact that the cat had escaped out of the bag through these newspaper reports, they did not think there had been a satisfactory substitute for consultation. The answer given by those representatives was clear and convincing. They said that the fact that in one newspaper report details of surprising accuracy leaked out sealed their lips more tightly than ever. How could they make any comment upon a newspaper report under those circumstances? How could it be a matter of discussion by them with those they represented? They made it abundantly clear that both before and after those two newspaper reports leaked out their lips were sealed and there was no consultation.

Yes, Mr. Chairman, all of those associations of civil servants, speaking through their representatives, appeared before the committee and said that to the extent to which they had had, in one week, and one week only, since the bill was introduced in the house, limited and scant opportunity to consult executives or to send wires to local branches with only the most meagre details of the scheme, they asked for delay; the request was unanimous. Every one of them said that this matter ought to have further study. Every one of them said that they had not had the opportunity they ought to have had to discuss the matter with their executive and their branches. They also uniformly said that to the extent to which the opinion of their members in various places in Canada has been expressed to them in the short few days that had been available to them—just one week—strong opposition had been registered to the compulsory feature of the bill.

I think it is fair to say, Mr. Chairman, that the idea of optional insurance appealed to them. They liked the idea in general, but not on the compulsory basis. Therefore they made a plea—and it was an urgent plea in every case; an extremely strong plea—that this matter should not be hustled through now but that they should be given the opportunity of consultation.

There is no derogation from the sovereign rights of parliament, Mr. Chairman, in a matter of this kind when those who are principally affected by the measure, those whose salaries and pay cheques are hereafter to suffer deductions willy-nilly whether or not they want the insurance, come before a parliamentary committee and, with reference to a measure that has been introduced in the House of Commons and sent to that parliamentary committee for study, ask that the measure be delayed and that they be given the opportunity that I conceive to be the right of any employee of any employer to sit down with his employer and talk to his employer before that employer begins to make deductions from his pay envelope. There is the simple gist of the situation. There is no derogation from the rights of parliament involved or suggested in the kind of consultation that is sought.

Surely the federal government of this country ought, in so far as it is an employer, to try to be an exemplary employer.

**Mr. Abbott:** Hear, hear.

**Mr. Fleming:** Surely, Mr. Chairman, with the acquiescence in that position of the Minister of Finance, when a scheme is brought forward that does involve a compulsory imposition on every employee the employees, through their responsible organizations, have a right to be heard by the employer, to put their case before the employer and to have that case carefully

considered, not brushed off in a way that is denying today to 80 per cent of the members of this house any opportunity of so much as reading this evidence, let alone weighing it and giving to it that consideration that these employees of the federal government have the right to expect. If this measure has all the merits that the government claims for it, then why should the government doubt that these merits will become apparent to the civil service when the civil service has an opportunity to study the measure? Why should the government deny to the civil service the opportunity of studying the measure and making their views upon it known?

Then there is the matter of the armed forces. That was an afterthought after the original scheme began to take shape. There was some limited consultation there, very limited indeed, but at any rate it was a form of consultation that was denied in any respect and in any degree to the civilian employees of the government. A directive was sent out by the Department of National Defence concerning the measure and a yes or no answer was sought, an expression on the part of what was thought to be "a good cross-section". We know the extent of the consultation in the case of two of the military commands. Twenty per cent was the total of the forces under the western command whose opinion was sought. The only other command concerning which we know the percentage of those consulted was the Quebec command where we were told it was about 50 per cent. That is what we know about consultation with the army. The only question put to them was: Yes or no, are you or are you not in favour of this scheme?

They were given no opportunity to express themselves on the compulsory feature. Here is what Mr. Armstrong, the assistant deputy minister of national defence, had to say on that matter as found at page 1732 of the evidence:

Q. And the directive called for a sample of opinion?

A. The directive called for a good cross-section of opinion.

Q. It was left to the area commander in each case to determine what is a good cross-section?

A. Yes.

Q. You did not stipulate?

A. No, we did not stipulate how much.

Q. I think we can appreciate the limitations of a "yes" or "no" answer. You would not expect anyone to draw an inference, Mr. Armstrong, as to what could be drawn, by way of inference, from these results as to the feeling of those consulted, if they had been given the opportunity of choosing between a compulsory plan and a plan that was not compulsory.

A. It would be quite a different question.

Q. Quite.

A. We did not ask them that.

Q. And I think you will agree no one could draw any inference as to the feeling of the men as between two such schemes as to what was done here?

A. No, I would agree that you cannot draw that inference.

That is not consultation, Mr. Chairman. We do not know how the matter was put to the limited number of men in these commands before whom it was put. We have some information about percentages in certain cases from commands in the air force and some in the navy. The lowest percentage of those in favour was in the navy in the ranks below chief petty officer. But, Mr. Chairman, we do not know how this was put before the armed forces even to the limited extent to which they were consulted. Was it done orally on parade? Was anything put before them that would enable the men being asked for a yes or no answer in a case like that really to weigh the details of a scheme of this kind?

Now, sir, in conclusion I ask this question with reference to delay. All that is asked for by those who represent these valued civil servants of Canada is delay, an opportunity to consult with those whom they represent, an opportunity to study the measure and an opportunity then to put their views before the government. The existing insurance scheme is still in effect. Under it 13,000 policies are in effect and, as Mr. MacGregor says, the scheme is working quite satisfactorily. This is a measure of very high importance. It has been talked about for a long time. There is no desperate urgency about it. As long as the existing insurance scheme stands those who appeared before us indicated that they did want to have the opportunity of consultation, that they did not want to see this measure rushed through now.

We realize that if this had been brought in at an earlier stage of the session by the government, as a measure of this kind ought to have been, there could have been an opportunity for consultation. But here we are within a matter of a few days apparently before the end of the session and we are asked to deny to these representatives of the civil servants the opportunity they ask for consultation. Mr. Chairman, if this matter stands for that adequate opportunity the measure is not killed. It is not killed unless the government decides to kill it because the government can introduce this measure or, I would hope, a measure without the compulsory feature in it, at the next session after there has been an adequate opportunity for consultation. That is what we are asking.

Indeed, sir, the civil servants, those who are to be affected by it, are not even being given the opportunity to "take it or leave it".

The government does not even say to them as individuals: "Take it or leave it". The government is rather holding a club over their heads today and saying: Well, you had better take this holus-bolus, the whole thing, or we will withdraw the measure and we will not introduce it again. What an attitude for the government to take! What irresponsibility! Delay does not involve the death of a measure of this kind unless the government itself chooses to impose the death sentence on the measure.

I plead again with the government not to press this measure, not to deny the opportunity for consultation to those who are going to be affected by it. I plead with the government to put aside just for once the attitude that they show so often, this attitude that I can best sum up in these words: "We will show you who is boss around here." We have seen that in this house. Let the government not take that attitude toward the civil servants. We in the opposition grow accustomed to it, but on this occasion when the civil service is involved can the government not relax just a little bit? Cannot the government give a little time? Cannot the government be reasonable about this measure, and sit down and discuss it in an amicable way as between employer and employee, both representing responsibilities that they have to carry and yet both realizing that they have an important responsibility to each other and that this measure should, so far as is humanly possible, be the best measure that the combined wisdom of the government on the one hand and those who are going to be affected by it on the other hand can devise?

Even in the limited time available, these representative civils servants' associations have brought forward a large number of changes that they desire. Perhaps some of them could be incorporated with time, and some of them perhaps cannot. I do not know. But I do know that they are all entitled to serious consideration because they are put forward by people carrying some responsibility in this matter. They are simply asking for delay. What right have we to shut the door in their faces, and deny them that delay for the purpose of consultation?

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**Mr. Cameron (Nanaimo):** Mr. Chairman, as a member of the banking and commerce committee I, too, was somewhat disturbed to find that there was a considerable measure of opposition to this bill coming from the civil service. As a matter of fact I was undecided in my own mind as to just what was the right line to take with regard to this legislation, in view of that particular opposition. I took the advice of the hon. member for Eglinton before he gave it, and read the evidence given before the committee. I propose to read some of that evidence before I have finished this afternoon. I do this because there were some things that were not read this morning which strike me as being quite relevant to the matter.

I do think the government is due for quite severe criticism for the method in which this legislation was introduced. I am quite prepared to go along with the hon. member for Eglinton and others who have protested against the government's failure to consult the civil service, and also against the late date at which the measure was introduced in the house. I also think the minister himself perhaps is due for some criticism for the rather disingenuous way in which he introduced the legislation—that is to say, his determined effort to present it, not as a group insurance measure but as some other kind of measure. I can understand why he tried to do that; I can understand his reasons for doing it. Nevertheless I think it helped to add confusion to the picture.

The hon. member for Eglinton and the hon. member for Peace River have based most of their objections to the legislation on its compulsory nature. I suppose from one point of view one might say that we have no right to force things down people's throats, no matter how good for them, if they do not want them. On the other hand, today we are demanding of our government a degree of responsibility for public servants that is perhaps quite new in our history. I think most of us will agree that we expect the government to treat public servants with justice, and perhaps with a fair measure of generosity. I suspect that the families of many civil servants have been treated with considerable generosity on an ad hoc basis. For that reason I think we are justified in suggesting that if we are going to accept the principle that as a community we are responsible for those who serve us, then we have the right to demand that they comply with the most efficient and economical method of discharging that responsibility toward them. So I think we can discount that particular aspect of the opposition to the bill.

It has been said—indeed it was so indicated by civil servants who spoke before the banking and commerce committee—that there are a number of civil servants who object to this measure. At first glance I can readily see that there would be quite a number who

would have objection to it. Those who have no dependents, and do not expect to see their lives take such a turn that they will have dependents during their service in the public service, would naturally view this legislation with a certain amount of misgiving. I refer of course to that large body of female civil servants many of whom, I presume—the younger ones—approach this matter as they do in so many other occupations, with the idea in mind that before long they are going to enter holy bonds and will no longer require the sort of coverage this legislation proffers to them. I think that is an understandable point of view on their part.

On the other hand we can counter that, I believe, by pointing out that very likely these young ladies will marry young men who are themselves in the public service, and the contributions they make to the scheme before marriage will have a direct bearing upon their own future, at some future date, should their husbands die. In fact, I think that if we examine most cases we will find that most people, no matter what their circumstances may be, have some relatives or semi-dependents who will be adversely affected both financially and otherwise by the death of that person. They might not always be conscious of it. Perhaps many young people do not realize that when a human being dies it is somebody's business to dispose of that human being. That in itself is quite a responsibility that falls on somebody else's shoulders.

We may not always be conscious of the fact—certainly a single person might not—that at some point such a person would present a problem to somebody else. This is a method of dealing with that problem. It has been suggested that one of the objectionable features in the legislation is that the contributors may contribute all their lives, right up to the time of retirement, and not receive a penny in return. That is quite true. But I believe that objection results from drawing a false analogy between this type of insurance and ordinary endowment life insurance. I believe a much more accurate analogy can be drawn between this sort of legislation and fire or accident insurance. And I am sure no one would suggest it is outrageous for us to have to pay fire insurance premiums on our houses and never have any fires. Because that, after all, is the basis of the objection to this legislation. The purpose of the measure is to protect relatives from the disastrous results of untimely death in the public service. And for that reason I do not think we can expect to have any

[Mr. Cameron (Nanaimo).]

features other than the very limited benefit to which the hon. member for Eglinton has objected.

This morning the hon. member quoted from the proceedings of the committee on banking and commerce, and suggested there was evidence to show that the scheme was much more expensive than need be, or than could be provided by private insurance companies. I do not read the evidence in that way, at all. In fact, I find quite different evidence given here. While it is true that Mr. MacGregor did mention a number of group insurance schemes on which the premium was much lower than indicated here, at a later point in his evidence he pointed out that in those instances there were always some features in those group insurance schemes which rendered it possible to have very low premiums. As a rule, of course, it was a group in a particularly low age group, such as one finds in department stores, places where there is a quick turnover of labour and where the middle-aged are very quickly weeded out.

**Mr. Macdonnell:** May we have the reference?

**Mr. Cameron (Nanaimo):** Yes, I have the reference here. It is to be found at page 1740. In answer to a question Mr. MacGregor had this to say:

> Q. You mentioned before the supper hour, some companies, such as the aircraft companies, and chain store companies, had a low net premium which would compare with this 40 cents. Might not that be for younger employees?
>
> A. In every case, doctor, there is an explanation. I could cite groups where the cost is relatively high as well as the ones which I have cited where costs are relatively low. In the last instance the explanation is usually that the average age is very low or that the maximum amount is very low for the higher ages.

On page 1747 Mr. MacGregor gave further evidence which I thought was very interesting. This was with regard to the necessity for keeping the premium low in this scheme, because young single men, according to Mr. MacGregor, could go to a company and get an individual one-year term policy for probably $7.50 or $7.20 a thousand per annum, which works out of course to sixty cents or a little over sixty cents per thousand. Therefore it was said in those schemes to which he was referring we had to keep it low down otherwise these young people would not participate in it. The point that occurs to me, Mr. Chairman, is that these young people eventually will become middle-aged people and finally they will become old people and will not be able to derive benefits from those schemes.

The principal objection as I see it, the factor that the hon. member for Eglinton finally got around to agreeing to this morning, was that the scheme was probably a fairly good one but that it was being forced down the throats of civil servants against their wills. He might be right in that. It is quite possible that there are a number of civil servants—in fact I know there are; I have had some of them speak to me—who make very strenuous objections to this legislation; but, on the other hand on balance we have to support it because in this day and age we do assume, as I say, a tremendous amount of responsibility for our public servants, and because we assume that responsibility we have the right to say on what terms we shall discharge that responsibility, and we demand co-operation of public servants who, after all, also demand that responsibility from us. We have the right that they should co-operate with us.

It has been suggested of course that the great shortcoming is the fact that people pay in and when they are old they draw nothing out of it. Well, I think we have to face this fact, Mr. Chairman, this very harsh and bitter fact. As an equity in a building gets lower and lower as that building gets older and older, so we have to accept the fact that when we get fairly well along we have very little but sentimental value for our relatives and that we should not expect to have a cash value at that time. This thing is designed to cover those who have a cash value for their relatives during that period when they have a cash value. When they get past that stage then those relatives presumably have reached the age where they can assume responsibility for them. Therefore while, as I say, I was disturbed by this objection on the part of the civil servants, in answering that, as I see the course I should follow, I have, after reading over the evidence and thinking over the matter very carefully, come to the conclusion we should support this measure, particularly as Mr. MacGregor in his evidence to the banking and commerce committee suggested that it will be necessary to review the rates from time to time to see that they carry out the purpose of this legislation.

**Mr. Pearkes:** In addition to the civil servants who are affected by this bill there are over 112,000 servicemen, men in the armed forces. If the civil servants had an opportunity of expressing their views on this proposed legislation, the same facilities for the expression of views did not exist in respect of the men in the armed services. Word was sent out in a coded message to the commanders in the various areas and it was marked "confidential". One can easily imagine what would be the action taken by an ordinary commanding officer who received a confidential message in code. He would express his opinion as to the effect of this legislation on the men under his command. But it would appear that some security was broken because early in April I received a wire from British Columbia, the essence of which was: We understand that the men of the armed services are being told that they are not to take out any more life insurance with private companies because there is going to be a compulsory life insurance scheme introduced by the government. They did not believe that they had any choice whatever in this matter. They believed that they were taking out a life insurance scheme in which they would be able to make payments which would accumulate over the years of their service and, eventually, when they died, there would be benefits coming to their estate. But when you come to read the provisions of this bill and the purpose for which it is brought in you sense that they are not going to get any life insurance in the usual understanding of that term which would be handed down to their estate, but that they are going to pay a yearly premium against the possibility that they will die during that year.

The purpose of the bill, as it was given to the committee, is that it is to cover the cost of the last illness and death and those expenses which are consequential upon it. I should like you to consider for a minute how it is going to apply to the servicemen. I say that it will apply only during the year in which they are making their contribution. They are in fact gambling that they will die this year. There are not many young men at the ages of 18 to 21 who want to bet that they are going to die in the next twelve months. Actually the government is betting on an odds-on favourite, and they protect themselves by saying that when the serviceman reaches approximately the age that he may expect to die, namely, seventy, he will not be able to get any of the benefits at all, and all the money that he has paid in during his service and afterwards, if he desires to go on contributing, will be lost. I say there are few young men of service age who would want to enter into a bet of that kind.

The average man who joins the service is between the ages of 18 and 25, and the normal term of enlistment is for from three years to five years. During that time, when he comes up for his enlistment first and his enrolment, or when he takes on again, he has to be subjected to a very thorough

medical examination. He knows that he is fit. The very duties that he has to perform keep him fit. His chances of dying at an early age fortunately are very remote. But this is to provide for his last illness and burial expenses. One of the conditions upon which he enters the service is that he will receive free medical attention and, in addition, if he dies during his service the burial expenses will be paid on his behalf. Therefore, as far as the main purpose of this bill is concerned, the young soldier, sailor, or airman is not going to get anything in so far as the major benefits are concerned.

If upon the completion of his service he decides that he is going back into civilian life he may continue the payments plus an additional contribution. If he retires, as most of these young men do, before he is 30 years of age he has got to keep on making contributions for 30 or 40 years until he finally reaches the age of 70 when he will not be called upon to make any more contributions because he will not receive any benefits after that.

I would like the committee to consider what this is going to mean in so far as the cost of administration on the part of the government is concerned. Figures given in "Canada's Defence Program", the so-called white paper for 1954-55, give us some idea of the turnover in the armed services. The wastage in the navy, army and air force during the year 1951-52 amounted to 11,903; during the year 1952-53 the wastage was 16,658; and during the year 1953-54 it was 16,297. I think these figures demonstrate how these accounts are going to pyramid. Is the Department of National Defence going to send out monthly notices to the various men who have retired to the effect that their 40 cents is due and they are in arrears for the preceding month?

**Mr. Abbott:** It will be the entire responsibility of the ex-soldier.

**Mr. Pearkes:** I know it will be the responsibility of the man involved but they will still have to send him an account.

**Mr. Abbott:** If he does not make his payments the insurance lapses.

**Mr. Pearkes:** Yes, he loses it, but that man may be up in the north country and he may be away for one year and unable to pay the amount he has to contribute. This man cannot renew because once he is in arrears he has lost all the money he has paid into the scheme.

Some reference has been made to the war risk or combat clause, and I understand that if there is a war the men serving in the theatre of operations will be covered by the contributions they make, and they will be contributing towards their last illness and their burial expenses while the war is going on. But this last illness and the war burial expenses are already provided for in peace as in war and, furthermore, if they are killed in action their widows receive a pension.

It may be that the Minister of Finance and Minister of Veterans Affairs got together and discussed this, and it may be they have decided that the pensions now being paid to the 19,700 widows of war veterans in Canada are not adequate, and that some form for increasing their pensions should be adopted. If that is the case then the simplest thing to do would be to bring in an increased scale of pension for the war widows. I do not believe there would be very much objection in this house if that were done. But this is a very roundabout way of making provision for an increased pension for the widows of the future.

Then, again, the man who is on active service has an opportunity of taking advantage of the veterans insurance scheme. I am not going to extend my remarks beyond that otherwise than to allow my memory to wander back some time to that period when I first joined the services close to 50 years ago. At that time the recruit, more or less as a matter of course, bought the beer for his corporal. Under this scheme it would seem that the private soldier is expected to contribute towards his colonel's coffin, and I do not think that will appeal very much to the average private soldier.

However, the main feature about this matter is that I am convinced that the public relations regarding this bill have been extremely bad, and that the men in the armed services have not understood the provisions of this scheme. I therefore think the minister would really be extremely well advised, in so far as the armed services are concerned, to allow them to have a second look at the bill and have the opinions of the majority of the men who are going to make a contribution towards this scheme thoroughly canvassed.

**Mr. Abbott:** Mr. Chairman, there is just one word I would like to say in regard to this if the hon. member will allow me. This proposal was not extended to the armed services on the initiative of myself as Minister of Finance or on the initiative of the government. It was sought by the armed services themselves, and perhaps it would be well for me to say that I was rather apprehensive of extending it to the armed services.

I asked my officials to make a very careful study of it because, as the hon. member has

stated, the great majority of our armed forces are young in years and from the very nature of their duties they may be called upon to lose their lives a bit earlier than some of us who stay at home. This measure, of course, would have to be made applicable to young men killed in action or in any other way. It is quite true, as my hon. friend suggested, that under the Pension Act their dependents would receive a pension and there are other provisions made for burial expenses, illness, and so on. But there is no relation between this provision in the Pension Act and the present scheme. It has not been my experience that the dependents of soldiers are reluctant to receive a lump sum payment, whether under the ordinary life insurance or any other, on the death of the breadwinner, and since those responsible today for the direction of the armed services indicated to me that it was desired to have this measure extended to the armed services that is what has been done.

Again, with some reluctance, I agreed that they should consult the various commands throughout the country, and that was done. After the consultation had taken place, and as my hon. friend indicated, pretty much the full details of the proposed plan appeared in the newspapers, and that, perhaps, may be a reflection on the security provisions in so far as this kind of thing is concerned. However, I would make it clear that I am making no serious criticism in that regard. I want the committee to appreciate that the provisions of this measure were extended to the armed forces at the request of those who have the responsibility for those services.

**Mr. Richard (Ottawa East):** Mr. Chairman, during this debate I could not but help feel somewhat surprised at the different attitudes adopted by those hon. members who spoke on this subject. I heard expressions which seemed to me to be very excited words on a subject which, after all, calls for investigation—as some have said, a little bit more investigation—rather than to call for intolerant and fancy language. I heard such expressions as "willy-nilly", "shotgun", "ramming", "jamming", "regimenting", "dragooning", "treat them rough", "tell them nothing" and finally "let the cat out of the bag". This is all very well, Mr. Chairman, but it would add little to the debate were it not for the fact that these same people who have said these things have apparently studied the problem and have given us the benefit of their knowledge.

I might say that it must strike every one of us that this act is not being put through without the knowledge and without the study required on the part of those who had an opportunity to look at the bill in committee and in other places. The fact that so many arguments are being presented at this time for or against this bill shows that there is not much more that could be learned by speaking to many other people. As a matter of fact, I am not so sure that the civil servants are not aware of the contents of this bill and of its benefits. As one who lives in a civil service city I am willing to say that the civil servants know what this bill is about, know the principle of it and are generally satisfied that it is a good step forward.

After all, Mr. Chairman, this is not an insurance bill. It is a bill to amend the Public Service Superannuation Act. It is to add more benefits to those already available under that act. Since parliament must vote the moneys with respect to the superannuation act to cover the cost of these benefits, of course parliament is interested as well as are those who are benefiting. Since the superannuation act is universal in its application, so necessarily must be the provisions that are included under the benefits extended by this proposed bill.

As I said before, Mr. Chairman, I consider this bill to be a good one. By that I do not mean to say that in a few years it may not be a much better one. I am sure that as time goes on some other provisions may be added. The main objections that I received from civil servants were not to the effect that this was a costly scheme. Objection was not taken that they were not getting much larger benefits than they could ever obtain under any private scheme. Rather the objection was that they would like to have more, even if it should cost more. I sympathize and agree with anyone who would like to have more protection or more coverage of this type at the same rate. I do not agree with those who have been saying that someone might pay for 30 years $5 a year, and would have nothing for it. Thirty years at $5 a year works out at $150.

**Mr. Macdonnell:** Five dollars a year?

**Mr. Richard (Ottawa East):** For $1,000. My hon. friend knows much more about these things than I do, but I may tell him this. I took my first $1,000 insurance when I was 21, as I was graduating in law in Toronto, and the cost to me was $23 a year. At age 65 I will be paying some more. I will get nothing until I die. The death rate is no better in the civil service than it is anywhere else. I am sure that the civil servants, especially those who are in the lower classes, will appreciate the opportunity of having this estate for their children, their wives or

their relatives, so that there may be no undue burden and also so that there may be some benefit for their estate.

As I stated before, Mr. Chairman, I am sure that—just as in the case of the superannuation act—some other features may be added to this bill. However, this is the basis. This is the principle which we are about to enact. I feel that the committee should agree that, as soon as possible, this measure should be passed. I would not take the responsibility—as was so well said by the hon. member for Ottawa West—of delaying the passage of any legislation which affords such benefits to our civil servants.

**Mr. Fulton:** Mr. Chairman, I do not think there is a great deal that one need add to what has already been said, except that, in addition to the reasons that have been given for opposing it, there is another one that occurs to me. It appears to me that this is what might be called paternalism run rampant. From what I have heard of it and from the summaries I have had of what took place in the banking and commerce committee it appears to me that the government has said: We think it would be desirable if everybody had an insurance policy on his life; therefore we are going to see to it that, because we think it is a good thing, everybody we can force to have one will be forced to have it whether he wants it or not. It might be a good thing if everyone in the country had an insurance policy on his life, but I am surprised to find the government which, on occasion, asserts its belief in leaving to the individual, so far as it can be done, control over his own destiny, adopting the position that we are now going to tell the people what is best for them in a matter in which previously no government has ever arrogated to itself the power to compel them to accept a benevolent ruling and is going to put the legislation through whether or not the people concerned consent to it or want it. It is truly the worst form of paternalism run rampant.

Benevolent paternalism is all very well or good intentions are all very well in their place; but when good intentions, the benefit of which is not the subject of agreement by those affected, is going to have the sanction of legislation and of dictate behind it, I think it then becomes the duty of those who believe in the individual being given the maximum control of his destiny consistent with the position that his own actions shall not impinge upon or interfere with the exercise of his neighbour's freedom, to say: No; you shall not, whether out of any benevolent motives or not, exercise this form of dictatorship.

On the basis of that approach to the matter it seems to me that we have not much alternative but to oppose the present bill. I think it would have put us all in a great deal better position had there been given to the civil servants affected the time and opportunity for a greater study of the matter so that we would know whether or not, in fact, a majority of them approved it. If they want it and if it were to be clearly indicated that they want it, then I suppose it would be stepping beyond the bounds of our duty to say: No, you shall not have it.

However, as I understand the position, there has not been any clear-cut request of that sort for it. The government has simply come along and decided that this would be a good thing for the civil servants themselves. In the absence of their being able to bring to us clear proof that the people concerned actually want it, it is my opinion that, as we have the situation now, in the presence of a considerable volume of evidence from them that they do not want it, we have to say to the government: No; you shall not impose your idea of what is good on the people who themselves do not agree with your ideas.

I think also that when the government takes to itself the right to dictate to the armed forces, in addition to the civil service, on matters of this kind then, for the reasons so cogently put forward by the hon. member for Esquimalt-Saanich, we should say to them: Here, you have got to confine your activities within reasonable bounds; you can lay down conditions of service in so far as hours of work and times of work are concerned but you certainly cannot say to people that if they are going to work in the civil service or join the armed forces they have to join this compulsory insurance scheme. To me, that is carrying benevolence to the point of absurdity. As I have said, Mr. Chairman, there are other reasons which might be advanced against the measure but I think they have been more than adequately put forward by my colleagues who have already spoken against the bill. I am happy to associate myself with them and to indicate that I too will not support this proposal.

**Mr. Croll:** I have only a few words to say. I am one of those who believes that this bill is heavy with benefits and light with obligations. After the hearing on June 3 when

representations were made by the various associations I was somewhat concerned with the views presented. Over the week end I took the opportunity to get in touch with some of the civil servants in the city of Toronto to find out what their attitude was towards the bill. The first one said "excellent"; the next one said "wonderful", and the third one said, "how soon will it come into effect, how soon does the government intend to proclaim it?" There was no doubt in my mind. I am as enthusiastic about the bill as the hon. member for Winnipeg North Centre. If it is possible to be more enthusiastic I would be.

**Mr. Fulton:** What did the fourth say?

**Mr. Croll:** I felt certain at that time that the bill had mass support. Something has been said about the lack of consultation with the civil servants. I think it is interesting to look at the record. I should like to refer to page 1660 of the minutes of proceedings and evidence of the banking and commerce committee. The hon. member for York South was questioning Mr. K. W. Taylor, the deputy minister of finance, and I find there the following:

Q. Have these suggestions been discussed with the civil service association employees?

The reference is to the bill.

A. Yes, sir. A general outline of the plan was presented in the form of a confidential memorandum to the national joint council of the public service of Canada. The national joint council appointed a subcommittee to go into it in more detail. I met with that subcommittee. Some of my officials met with them. A number of meetings were held and the national joint council sent a report or a memorandum back to the government which in general heartily endorsed and approved the scheme. They made a number of suggestions for betterment of certain aspects of the scheme as originally outlined. Most of those have been accepted and incorporated in the bill.

That seems to throw a little different light on the amount of consultation. Let me go on a bit further. There is a very interesting question at the bottom of page 1661 which reads as follows:

Q. Is there any objection to the compulsory feature of this scheme on the part of any particular group of civil servants?

This is the answer:

A. The views of the national joint council were that it ought to be compulsory and universal. Now, that does not mean that individuals representing particular groups on that committee may not have raised the question of the compulsory feature. I have seen in the press that certain groups of civil servants have objected. Individuals in my own department have come to me and expressed a very dim view on this. They are usually younger girls in the service who have at present no intention of making the public service a career. They do not find this particularly attractive or particularly interesting. There are others who have said, "Well, I am carrying my full quota of insurance now and I do not need any extra." Others have said to me, "This is fine; it is a very modest cost and we can always do with $5,000 more or $3,000 more in the estate."

I think it is also very interesting for members of the house who were not privileged to sit on the committee to find out what was the reaction of the armed forces. The hon. member for Esquimalt-Saanich perhaps knows more about this phase of it than anyone else. To the armed forces this was a very attractive proposal in addition to their other benefits. Four dollars a month, a couple of packages of cigarettes, perhaps not even half a bottle of what my friend, the hon. member for—

**Mr. Chevrier:** Mackenzie.

**Mr. Croll:** —Fort William would object to, will more than pay for this, and they are fully covered in times of action. Actually, in addition to all the other benefits they get while in action, they get the benefit of establishing an estate in the amount of $3,000 or $5,000, whatever it may be. It certainly cannot be said that the army attempted to speak for the personnel in the army because they took every precaution to the point where they did not even heed the request of the Minister of Finance to treat the matter confidentially. They got in touch with the troops in Korea and Germany and the air division in France. Mr. Armstrong of the Department of National Defence had this to say, as found at page 1724 of the proceedings:

Each of the commanders consulted the units in his command and we received from them an expression of opinion that the majority of the members of the forces were prepared to accept this plan on a compulsory basis. The nature of the replies varied. Some commands reported on a percentage basis. They varied in the air force from 75 per cent to 90 per cent in favour. In the navy, roughly 75 per cent in favour, of C.P.O.'s and above, and some 65 to 60 per cent below that rank. In the army most of the replies was on the basis that the majority were in favour. On that basis the Department of National Defence, through the minister, recommended that the members of the forces be included under this plan.

Now, it is true they did not consult all the members of the forces. They took a sampling of about 20 per cent in most commands and 50 per cent in the Quebec command. All in all it would seem that an attempt was made to reach the civil servants and the armed forces. It is interesting to note, and I do not think enough emphasis has been placed on it, that consultations began last November —and the hon. member for York South said in the committee that he knew about it at that time which was some time before I knew about it. On February 4 an article appeared in the *Citizen* containing all the

details of the bill with the exception of the minister's name and the fact that he was going to introduce it.

Surely that could not have been lost upon the civil service in Ottawa where everyone, I presume, reads the *Citizen*. On April 4 the army knew all about it. If that was a secret that was kept by the army from the civilians it was the first time the army ever kept a secret of something that appeared in orders. The plan was generally understood. Everybody knew about it. When I got in touch with the people in Toronto nobody asked me what was in the bill. They proceeded to tell me what was in the bill. They knew as much, if not more, about it than I did.

I do not quite understand the opposition to the bill. I believe that people generally would like to have the same benefits made applicable to them as are being made applicable to the civil servants. The Minister of Finance has said that he would like to be covered by such a scheme. The Secretary of State said that he wished it had been made retroactive and applicable to him. Speaking for myself, I would more than welcome it if it should be introduced as one of the benefits for members of parliament.

**Mr. Henderson:** Representing Kingston as I do, where there are offices of every branch of government as well as many thousands in the armed forces, I feel that I should say a few words about this bill. I was also a member of the committee that considered the bill. I received no complaints from anyone in the Kingston area objecting to the bill. I felt like the hon. member for Spadina, that since objections had been raised in certain quarters I should talk to some of the civil servants in my own area. I have had the opportunity of doing so, and received nothing but compliments on the measure. As a matter of fact, the feeling could be summed up in these words: It is a good thing, what is holding it up? Do you think you will get it through this session? I feel that we should not hold up this measure which is a benefit to so many in the civil service and so many in the armed forces. I feel like the member for Ottawa East that this is a basis for benefits to a great many people.

**Mr. Macdonnell:** I want to make one or two comments.

**Mr. Croll:** I cannot hear you.

**Mr. Macdonnell:** I shall try to do better in the matter of speaking up because I want the hon. member for Spadina to hear me. I listened with interest to what he had to say. I am sorry he ran out of adjectives so soon; it is not like him to do that. He used several adjectives such as "excellent", "wonderful", and "how soon". Those are all right as far as they go, but I suggest they should not be matched against the considered report of organizations that have made inquiries throughout the whole of the country and who then give a report on the basis of the representations made to them through their ordinary widespread channels.

It is quite true they did not get a full report, but they got a good cross-section of the people whose words they passed on to us. So far as the national joint council is concerned, not a word should be said against them. The point is that they were not able to pass on to other people; their mouths were shut. In so far as the armed forces were concerned the chairman of the committee, the hon. member for Spadina, undertook to convey a different impression from that which had been conveyed by the hon. member for Eglinton and the hon. member for Esquimalt-Saanich. I submit that the member for Eglinton quoted adequately from the evidence to support everything he said, whereas the member for Spadina just referred to it in most general terms. The hon. member for Esquimalt-Saanich has, I know, been close to this problem for considerable time, and his reports also were based on a wide variety of facts.

Clause agreed to on division.

On clause 2—*References to act.*

**Mr. Macdonnell:** I have an amendment to clause 2. I shall say very little about it because the point has been fully covered. The amendment that I propose to move has to do with the question of the compulsory feature and that has been fully covered. I only wish to add that there is abundant evidence as to the widespread objections from civil servants concerning the compulsory feature. Therefore, I move, seconded by the hon. member for Prince Edward-Lennox (Mr. Tustin):

That section 39 (1) (e) be amended by inserting after the word "means" the following:

"one who has elected to make the contributions and accept the benefits under sections 42 and 43 respectively, and who is".

**Mr. Abbott:** Like my hon. friend, I shall not take much time in discussing this amendment. I have already indicated that after studying this type of benefit the government came to the conclusion that it could only be introduced on a universal or compulsory basis; that was the only basis upon which the government would be prepared to recommend it to the house. I indicated that was the basis upon which analogous plans operate in such institutions as the Bank of Canada and the Central Mortgage and Housing Corporation. It is the basis upon which analogous

group insurance plans operate in other large private concerns. Everyone must be a participant. Therefore the only basis upon which the government is prepared to recommend legislation of this kind is upon a universal or compulsory basis.

Amendment (Mr. Macdonnell) negatived: Yeas, 20; nays, 67.

Clause agreed to.

Clause 3—*Coming into force.*

**Mr. Knowles:** May I ask the minister if he would indicate when it is intended to have this act come into force?

**Mr. Abbott:** As soon as possible; I cannot give a more precise indication than that.

Clause agreed to.

Title agreed to.

Bill reported.

**Mr. Abbott** moved the third reading of the bill.

**Mr. J. M. Macdonnell (Greenwood):** I move, seconded by the hon. member for Prince Edward-Lennox (Mr. Tustin):

That the said bill be not now read a third time but that it be read this day six months hence.

I shall be very brief in my comments. I wish to remind the house that we are voting on this bill when the great majority of members have had no chance of reading the evidence, and I am quite sure have not read the evidence which was only available this morning. What we sought here was that the reasonable request of the civil servants that they should be given a chance to discuss the matter further should be granted. I was puzzled by the remarks of the hon. member for Nanaimo (Mr. Cameron) who referred in glowing terms to the civil servants. He said we valued them very highly, and then so far as I could understand suggested that that implied on their part a readiness merely to accept our judgment in the matter without the opportunity for further consultation. I would have thought that his argument would have led him to the opposite conclusion. I was also interested in all the evidence about the decreasing cash value of those whom he described as long in the tooth. I thought he got very near to describing them as carrion. He got near that point.

And I would like to point out that in one of the representations we had there was a rather convincing argument, I thought, pointing out that the needs of people in respect of burial did not grow any less as they grew older, but remained just about the same. I thought his argument was unconvincing.

I will not deal with the fact that probably tens of thousands who go into this will get no benefit out of it, that they are being forced against their will, that there was unanimous evidence from the representatives who came before the committee that further consultation was desirable. The possibility of delay was fully and frankly faced by them. Incidentally, they suggested that if the Civil Service Insurance Act were extended they were prepared to face delay, in the hope of having a chance to consult. Every consideration of good relations between employer and employee would dictate, in connection with this bill, that consultation should be had. Furthermore, I should like to put on record again the fact that there has been an entirely exaggerated idea put forward among civil servants that they are getting a very good thing, and getting it very cheap. The truth of the matter is that they are getting a cheap article, one which is limited in various ways, and may not turn out to have the benefits they expect.

I therefore move, seconded by the hon. member for Prince Edward-Lennox (Mr. Tustin):

That the said bill be not now read a third time but that it be read this day six months hence.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, the motion that has been made is one which seeks to place on record the opinion of members of this house that this bill is not being dealt with properly, and that those who are directly affected by its provisions are not being given the ordinary opportunity to consider the matter and to make such representations as should be accorded in the case of any legislation of this kind.

The arguments presented by the minister who sponsors the bill, and by other members on the government side of the house, are not challenged in so far as they relate to the desirability of providing insurance for members of the civil service or of the armed forces. In so far as the general principle of insurance is concerned, I doubt very much if there is any substantial division of opinion within this house. But what has been asserted—and asserted with the use of some descriptive adjectives, which I believe are appropriate—is that a measure inadequately considered and without the ordinary opportunity for examination and consultation is now presented to us with a demand, in effect, that we support it because there is a desire to provide insurance for civil servants and members of the armed forces. Apart from the position I hold as Leader of the Opposition, I represent the constituency which has within its boundaries a very large number of civil servants.

**Mr. Gingras:** They would not vote for you.

**Mr. Drew:** Mr. Speaker, perhaps my hearing may be better than that of the recorder of *Hansard*, and I therefore shall not repeat the very inappropriate remark that I heard from the other side of the house. I would simply point out, Mr. Speaker, that, apart from having that association with many of those men—I would point this out for the benefit of the interrupter whose remarks perhaps are not on *Hansard*—I have had some responsibility in dealing with the problems of civil servants in other jurisdictions. I believe in the right of the civil servant to be consulted; I believe in the right of the civil servant to express his opinion; I believe in the right of the civil servant to present to a committee of the house views that would guide members in forming their opinions on legislation of this kind.

We have had placed on *Hansard* quotations from the statements of representatives of the various civil service organizations expressing their own desire that this be further examined, their own hope that there be further consultation, and their own feeling about what have been described as the compulsory provisions of this measure.

We have had the statement of the minister that he is not prepared to consider an amendment which would make the inclusion of any members of the civil service voluntary. He has stated that if this is to come into effect it must embrace everyone. We have no statistical information before us to support his contention that this must be done if a measure of this kind is to be introduced. In fact, we have a minimum of information of any kind, other than the broad assertion that legislation of this kind is desirable. As opposed to that we have the contention of those whom the measure is intended to benefit that they, themselves, want a further opportunity to consider its effect. And it is in support of that very contention, made by representatives of the various civil service organizations, that this amendment is placed before the house. For these reasons I shall support the amendment.

**Mr. Clarence Gillis (Cape Breton South):** Mr. Speaker, I want to say a few words on this measure. In the first place, I would like to say that this bill, as could be said of all legislation, is not the final say in the matter. Legislation such as this is subject to review from time to time, and will come back to the house in the future for further examination. After some experience wih it, there may be possibilities of amendment, if that is considered desirable.

But I would like to say this, in regard to the argument advanced by the Leader of the Opposition (Mr. Drew), members of his group and members of the group to my left, that the whole objection, so far as they are concerned, is lack of consultation. The civil servants were not given the opportunity to present their case properly. I would like to remind the Leader of the Opposition and the hon. member for Peace River (Mr. Low) that there is only one way for the civil servants of this country to get proper and unrestricted representation, and that is by becoming part of the legitimate trade union movement of this country and by carrying on their negotiations in the way that they are carried on as between employer and employee. If the hon. member for Peace River and the Leader of the Opposition and the members of his group are prepared to go along with that kind of proposition, I am sure the members of this group will be glad to join with them.

**Mr. Drew:** May I ask a question? In dealing with that particular subject, do I understand that the hon. member means that if there were agreement on the point he makes he would insist that they be consulted, but if that is not conceded then he thinks the measure should go through without consultation.

**Mr. Gillis:** That is not the point I made at all. There are too many ifs, ands and buts in the Leader of the Opposition's question. I merely stated a fact. The fact was that if there are restrictions on the way the civil servants make their representations to the employer, and if their lips are sealed, they are sealed because they are members of an association that places a restriction upon them. There is no other way for them to get proper consultation for the 230-odd thousand people they represent except in the way I have suggested, when they are free from any government restrictions in regard to civil servants, and when they can sit down with the government as an employer and make demands on the government and then compromise somewhere in between. In the meantime while these negotiations are going on and after they are finalized, they can consult the members of their association by referendum as is done by the legitimate trade union movement across the country. Therefore there is nothing in the argument that proper consultation had not taken place under present circumstances and with the kind of organization the civil servants have, because it cannot be done and there is no use our arguing it out in connection with this particular measure.

I should like to say that the same argument could be used in the matter of the old age security pension. The argument that

the taxpayers of Canada across this country were not consulted as to whether they were favourable to old age security pensions or otherwise could also be used. The same argument could be advanced in the matter of unemployment insurance. Unemployment insurance is in exactly the same category. When it was established first opposition was advanced right across the country by different sections of the public on the grounds that they would have to contribute to it and it would not mean very much to them. The fact of the matter is that unemployment insurance is not yet universal for the very same reason. Sections of employees across the country who, in my judgment, should be protected are still outside the confines of the Unemployment Insurance Act.

In my opinion this legislation is before the house as a government measure. Since I know the government and the way they work, I would say that this did not come about without a lot of consultation with the insurance companies. I am reasonably sure it is because of the fact that a very large percentage of civil servants were not carrying protective insurance that is sold by the old line companies that this legislation has been brought in. I cannot visualize the Minister of Finance (Mr. Abbott) and other members on that side of the house at any time bringing in a measure that would be in direct competition with the old line insurance companies unless they had received the green light from those people that they were not carrying that kind of insurance anyway, so somebody had better provide it.

**Mr. Abbott:** I do not like to interrupt my hon. friend, but I know he does not want to misrepresent. I am sure he would not do that in regard to any position I might take. I can assure him and assure members of the house there was no consultation whatsoever with the life insurance companies either before or after this measure was introduced.

**Mr. Gillis:** I have to accept the word of the Minister of Finance as far as he personally is concerned. But he has a lot of advisers behind the scenes who perhaps do not tell him the whole story. That is my opinion. In my opinion, a measure of this magnitude in the field of protective insurance would not have been introduced unless the field had been carefully canvassed.

The argument that we should wait and see, and so on, is an old one. Many of us who are getting older in this house have heard it advanced in everything that was ever attempted. If that argument had been listened to back a few hundred years ago we would still be weaving cloth by hand. With respect to every advance in every field there has been a small fringe who has opposed it on the grounds that they did not like it, and mainly because they did not understand it.

In my opinion this legislation has only one thing wrong with it that I can see at the present time. After the experience of a year or so, when we see what the possibilities are, we may find a lot of flaws in it. I hope this house will be flexible enough at that time to make the necessary adjustments. The only thing I see wrong with it at the present time is that when a civil servant reaches the retirement age of 65 he can carry on this insurance if he so desires. Then he has to make his own contribution and the government's contribution as well. After the date of retirement the amount of insurance payable decreases 10 per cent each year and by the time he reaches the age of 70 the policy has liquidated itself; no benefit is left. There should be some equity accrue to the person who elected to continue after retirement. There should be at least enough left to offset the funeral expenses. Instead of a policy running out completely there should be a residue of at least $1,000 for the person who has carried it on for the five years after retirement. That is all I have to say on the matter. I consider it good legislation. Knowing the industry in the community from which I come and several others I wish that this type of protective insurance could be established for the same price for every industrial worker across this country.

This legislation arises out of the high cost of dying. Anyone who has had any experience recently with funeral expenses must know it is quite a burden. We also know that human nature being what it is the average person in his health and strength takes the attitude: Well, I am not going to die for a long time, and even after I die, someone has to bury me anyway. They cannot just put me in cold storage, so why should I waste money? That is the general expression of opinion that you get from a lot of people. Well, someone has to pay the shot in the end. This is a very reasonable and a very inexpensive way of protecting those who are faced from time to time with the burden of funeral expenses and so forth. Therefore, Mr. Speaker, I am for it.

I hope that in the not far distant future the Leader of the Opposition will join with us here in establishing the type of organization for these civil servants that will free them from government control; that will enable them to take their places with the legitimate trade union movement of this country so that they can sit down year after

year and present their legitimate demands to the government, argue them out, and then by the process of a democratic vote get an expression of opinion from their membership, because that is the only way it can be had.

The house divided on the amendment (Mr. Macdonnell) which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Bell | Lennard |
| Blackmore | Low |
| Brooks | Macdonnell |
| Cardiff | MacLean |
| Diefenbaker | Monteith |
| Dinsdale | Murphy (Lambton West) |
| Drew | Nowlan |
| Fairclough, Mrs. | Patterson |
| Fleming | Pearkes |
| Fraser (Peterborough) | Poulin |
| Fulton | Quelch |
| Girard | Shaw |
| Hahn | Small |
| Hansell | Thomas |
| Harkness | Tustin |
| Holowach | Yuill—32. |

NAYS

Messrs:

| | |
|---|---|
| Abbott | Hanna |
| Anderson | Hardie |
| Applewhaite | Harris |
| Ashbourne | Harrison |
| Balcom | Henderson |
| Barnett | Henry |
| Batten | Herridge |
| Bennett (Grey North) | Hosking |
| Blanchette | Houck |
| Boisvert | Howe (Port Arthur) |
| Boucher (Restigouche-Madawaska) | Huffman |
| Bourget | Hunter |
| Brisson | James |
| Buchanan | Jones |
| Byrne | Jutras |
| Cameron (Nanaimo) | Kickham |
| Campbell | Kirk (Antigonish-Guysborough) |
| Campney | Kirk (Shelburne-Yarmouth-Clare) |
| Caron | Knowles |
| Carter | Lafontaine |
| Castleden | Leduc (Verdun) |
| Cavers | Legare |
| Chevrier | Lesage |
| Cloutier | Lusby |
| Cote | MacDougall |
| Croll | MacInnis |
| Decore | MacNaught |
| Deslieres | McCann |
| Dickey | McCulloch (Pictou) |
| Dumas | McCullough (Moose Mountain) |
| Ellis | McIlraith |
| Fairey | McIvor |
| Fraser (St. John's East) | McWilliam |
| Garland | Mang |
| Garson | Masse |
| Gauthier (Lake St. John) | Matheson |
| Gauthier (Portneuf) | Michaud |
| Gillis | Nicholson |
| Gingras | Pearson |
| Gingues | Philpott |
| Gour (Russell) | Picard |
| Gourd (Chapleau) | Pickersgill |
| Gregg | Pinard |
| Pommer | Stick |
| Pouliot | Stuart (Charlotte) |
| Power (St. John's West) | Thatcher |
| Proudfoot | Tucker |
| Prudham | Valois |
| Purdy | Viau |
| Regier | Villeneuve |
| Richard (Ottawa East) | Weaver |
| Robichaud | Weir |
| Robinson (Simcoe East) | Weselak |
| St. Laurent | Winch |
| Schneider | Wood |
| Shipley, Mrs. | Zaplitny—114. |

[Mr. Gillis.]

**Mr. Speaker:** I declare the amendment lost. Is the main motion agreed to?

**Some hon. Members:** Agreed.

**Some hon. Members:** On division.

**Mr. Abbott:** Mr. Speaker, would you be good enough to call for the yeas and nays.

**Mr. Speaker:** Those in favour of the motion will please say yea.

**Some hon. Members:** Yea.

**Mr. Speaker:** Those who are opposed to the main motion will please say nay.

**Some hon. Members:** Nay.

**Mr. Speaker:** In my opinion, the nays have it.

*And more than five members having risen:*

**Mr. Speaker:** Call in the members.

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

YEAS

Messrs:

| | |
|---|---|
| Abbott | Dickey |
| Anderson | Dumas |
| Applewhaite | Ellis |
| Ashbourne | Fairey |
| Balcom | Fraser (St. John's East) |
| Barnett | Garland |
| Batten | Garson |
| Bennett (Grey North) | Gauthier (Lake St. John) |
| Blanchette | Gauthier (Portneuf) |
| Boisvert | Gillis |
| Boucher (Restigouche-Madawaska) | Gingras |
| Bourget | Gingues |
| Brisson | Gour (Russell) |
| Buchanan | Gourd (Chapleau) |
| Byrne | Gregg |
| Cameron (Nanaimo) | Hanna |
| Campbell | Hardie |
| Campney | Harris |
| Caron | Harrison |
| Carter | Henderson |
| Castleden | Henry |
| Cavers | Herridge |
| Chevrier | Hosking |
| Cloutier | Houck |
| Cote | Howe (Port Arthur) |
| Croll | Huffman |
| Decore | Hunter |
| Deslieres | |

James
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Knowles
Lafontaine
Leduc (Verdun)
Legare
Lesage
Lusby
MacDougall
MacInnis
MacNaught
McCann
McCulloch (Pictou)
McCullough (Moose Mountain)
McIlraith
McIvor
McWilliam
Mang
Masse
Matheson
Michaud
Nicholson
Pearson
Philpott
Picard
Pickersgill
Pinard
Pommer
Pouliot
Power (St. John's West)
Proudfoot
Prudham
Purdy
Regier
Richard (Ottawa East)
Robichaud
Robinson (Simcoe East)
St. Laurent
Schneider
Shipley, Mrs.
Sinclair
Stewart (Winnipeg North)
Stick
Stuart (Charlotte)
Thatcher
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
Winch
Wood
Zaplitny—114.

NAYS

Messrs:

Bell
Blackmore
Brooks
Cardiff
Diefenbaker
Dinsdale
Drew
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Girard
Hahn
Hansell
Harkness
Holowach
Lennard
Low
Macdonnell
MacLean
Monteith
Murphy (Lambton West)
Nowlan
Patterson
Pearkes
Poulin
Quelch
Shaw
Small
Thomas
Tustin
Yuill—32.

Bill read the third time and passed.

## PIPE LINES ACT

AMENDMENT AUTHORIZING OPERATION BY TRUSTEE

**Hon. Lionel Chevrier (Minister of Transport)** moved the second reading of Bill No. 477, to amend the Pipe Lines Act.

**Mr. Green:** Will the minister explain?

**Mr. Chevrier:** Mr. Speaker, the house will recall that in the early part of the present session the Pipe Lines Act was amended by Bill No. 10 which added a new section 10A reading as follows:

No person, other than a person having authority under a special act to construct or operate pipe lines for the transportation of oil or gas, shall construct or operate an extra-provincial pipe line, but nothing in this section shall be construed to prohibit or prevent any person from operating a pipe line constructed before the first day of October, 1953.

The purpose of this new section was to require all pipe line companies to be authorized by special act of parliament before constructing or operating any new extra-provincial pipe line. All pipe line companies are now required to come under the Pipe Lines Act and to obtain the approval of the board of transport commissioners before constructing or operating a pipe line connecting two or more provinces or extending beyond the limits of a province. Since this amendment was made, a technical difficulty has arisen. The solicitors for Trans-Canada Pipe Lines have submitted that the new section 10A would prevent a trustee for the bondholders, a receiver or a manager appointed by the court from operating an extra-provincial pipe line constructed by a company which had defaulted on its bonds after being in operation.

The solicitors for this company consider that an amendment to section 10A is necessary if the company is not to be jeopardized in marketing its bonds to finance the construction of the trans-Canada pipe line. As there appears to be some doubt in the matter which would make it difficult for pipe line companies to finance construction, it has been considered advisable to amend the act in order to remove any difficulty that might exist about the right of a trustee for bondholders or a liquidator, receiver or manager of the property of a company to operate an extra-provincial pipe line for the benefit of creditors.

**Mr. Howard C. Green (Vancouver-Quadra):** Mr. Speaker, there seems to be no objection to this provision. There are one or two questions I should like to raise when the bill goes into committee.

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

On clause 1—*Position of liquidator, trustee, etc.*

**Mr. Green:** Mr. Chairman, there have been some dispatches in the press which sought to give the impression that this bill was being brought in as the forerunner for a government subsidy for Trans-Canada Pipe Lines. I can read no such meaning into the bill. I think these dispatches originated in some wishful thinking, but perhaps either the

Minister of Transport or the Minister of Trade and Commerce could make a statement on that particular question.

**Mr. Chevrier:** I am not aware of any intention on the part of the government to the effect mentioned by my hon. friend. I have not seen the press dispatches about which he speaks. Certainly there is no such intention in this bill. I cannot speak for what may happen at a future time, but certainly there is no intention of granting any subsidy.

**Mr. Green:** There has been no hitch in the plans to go ahead with this pipe line?

**Mr. Chevrier:** I know of none.

**Mr. Green:** Paragraph (a) of the new subsection 4 reads as follows:

(a) A liquidator, receiver or manager of the property of a company, appointed to carry on the business of the company.

Should that not be, "a liquidator or receiver and manager"? It seems to me that taking the word "manager" alone it carries no implication of bankruptcy or liquidation and would give an authorization much wider than is intended or was indicated in the minister's explanation.

**Mr. Chevrier:** I would put the answer to that this way. In the first place representations were made by the solicitors for Trans-Canada Pipe Lines to the effect that a liquidator, a receiver, a manager or a trustee should be covered by the word "person". Whether or not it is covered satisfactorily in the bill is, I think, a matter for the justice department to determine. I do not pretend to be competent in that respect. Their draftsmen have drafted the bill in this manner, and I think it meets the suggestions that were put forward by the solicitors for the bondholders.

**Mr. Green:** There is no limitation to a liquidator, receiver or manager appointed by the court. The clause simply reads, "A liquidator, receiver or manager of the property of a company, appointed to carry on the business of the company." Surely the intention was only to cover a person appointed by the court, not anyone who might be appointed by the company itself.

**Mr. Chevrier:** I think the intention is twofold. The intention is first to cover the position of a trustee—

**Mr. Green:** That is covered in the next paragraph.

**Mr. Chevrier:** —who normally is appointed by the court.

**Mr. Macdonnell:** No.

**Mr. Fleming:** No.

[Mr. Green.]

**Mr. Chevrier:** No, it is the other way around. I think the position was to cover, first, the trustee who is normally appointed by the bond instrument, and, next, the receiver or liquidator either of which may be appointed by the court.

**Mr. Green:** Should there not be that qualification written into the act because this new clause gives that person extremely wide powers. It reads in part:

—shall be deemed to be a person having authority under a special act to construct or operate pipe lines for the transportation of oil or gas.

The result of that provision will be that you will have an individual with extremely wide powers. He can build or operate a pipe line. It does seem to me that power should be restricted to either the trustee for the bondholders or to someone appointed by the court. There is no restriction written into the clause, and I think the words "appointed by the court" should appear in paragraph (a), or in some other way it should be restricted to a court appointment.

An individual should not have the right to exercise these wide powers except under a court order. If that is not done, then the way this section reads Trans-Canada Pipe Lines could appoint John Jones as their manager, and then John Jones could construct or operate the pipe line. It was never the intention of parliament that such would be the case. I have no objection to the provision for a liquidator or receiver, duly appointed by the court; that is an entirely different matter. I can see that situation should be covered, but the way this clause reads it covers a very much wider field.

**Mr. Fleming:** I should like to say a word in support of the point made by my colleague, the hon. member for Vancouver-Quadra.

It seems to me that for clarification, after the word "appointed" we should have these words inserted, "by a court of competent jurisdiction". Then the wording would be quite clear. The Minister of Transport has indicated what is contemplated by the word "appointed", and that is an appointment made by the courts. The reference in paragraph (b) is to a trustee who owes his quality as such to the trust deed. He is not a court appointment, but those persons referred to in paragraph (a) are obviously persons intended to be appointed by a court. For the sake of clarity, if for no other reason, in line with the suggestion by the hon. member for Vancouver-Quadra, I believe that after the word "appointed" we should insert the words, "by a court of competent jurisdiction."

While I am on my feet, I should like to point out that the amendment makes no reference at all to the case of the trustee in bankruptcy. I gather it is not intended to bring the trustee in bankruptcy within the scope of the amendment?

**Mr. Chevrier:** The answer to the last part of your question is no.

**Mr. Fleming:** Is there any objection to the suggested amendment for clarification of paragraph (a)?

**Mr. St. Laurent:** I cannot see any objection. I do not know that it is necessary because if he were not appointed by a court of competent jurisdiction he would merely be an agent of the company. He would not require to have any statutory power if he were acting merely as agent of the company. I think it was clearly intended that there should be no suggestion that one who was merely an agent of the company should have a statutory franchise. It could only be required for someone regularly appointed by an authority having the right to do it. If he were merely appointed by the company, he would be acting as agent. I do not think it restricts the clause in any way to have the suggestion of the hon. member contained therein, because I do not see how anyone could be otherwise validly appointed. It must be something done by a court of competent jurisdiction.

**Mr. Green:** You see, Mr. Chairman, the right to operate or build a pipeline is restricted to a company incorporated by a special act of this parliament. For that reason it is a little different from the ordinary case, and I do suggest that these words "by a court of competent jurisdiction" be added after the word "appointed" in line 8 of the bill. I would so move.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

**Mr. Speaker:** Shall this bill, by leave, be read a third time now?

**Some hon. Members:** Agreed.

**Mr. Chevrier** moved the third reading of the bill.

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

*Motor Vehicle Transport*

## MOTOR VEHICLE TRANSPORT

PROVISION FOR REGULATION OF INTERPROVINCIAL AND INTERNATIONAL HIGHWAY TRANSPORT

**Hon. Lionel Chevrier (Minister of Transport)** moved second reading of Bill No. 474, respecting extra-provincial motor vehicle transport.

He said: The house will recall that on February 23 last, following the decision of the privy council in the Winner case, I made a statement in this house with respect to interprovincial and international highway transport. I stated at that time that in our view it would not be in the public interest to have a divided jurisdiction with provincial boards controlling the traffic within the provinces and a federal board controlling the traffic moving between the provinces or between a province and the United States, and that for this amongst other reasons the government was reluctant to enter this field and thereby bring about divided jurisdiction.

I also stated that I proposed to call a conference of provincial ministers having jurisdiction over highways to discuss the problems arising herein and to endeavour to find a common ground on the best way to regulate and control highway transport, whether intraprovincial, interprovincial or international. A federal-provincial conference on the control and regulation of interprovincial and international highway transport was duly called and convened at Ottawa on April 26. The federal government and the governments of all the provinces except Newfoundland were represented at this conference. Newfoundland was not represented as the government of that province was not interested in this particular problem.

At the outset of the conference the representatives of the federal government indicated to the representatives of the provinces that the conference had been called to ascertain the views of the provinces in regard to assuming jurisdiction over interprovincial and international highway transport, and whether there was a disposition on the part of the provinces to assume such responsibility. The provincial delegates at the conference agreed on the broad proposition that it would be desirable for the provinces to assume jurisdiction over interprovincial and international highway transport, and various means of reaching this objective were discussed. Two principal methods were considered. First it was proposed by certain of the provinces that appropriate amendments be made to the British North America Act to ensure that

jurisdiction over highway traffic and control is vested in the provinces. This proposal was not considered to be practicable at this time and was not acceptable to the federal government.

The second proposal placed before the conference was that legislation be enacted by the federal parliament to provide for the control and regulation of the transportation of passengers and goods by motor vehicle between a province and a point outside the province with the control to be exercised by a provincial authority in like manner as control is exercised under provincial law. Such a system of provincial control over extra-provincial transport would leave the situation in much the same condition as before the decision of the courts in the Winner case. A draft bill was submitted to the conference and certain revisions were made.

The bill which is now before the house is the result of the work of the conference and has been approved in principle by all of the provinces that were represented except the province of Quebec. The bill provides that each province will have control over that portion of the transport undertaking that is carried on in that province. The bill accordingly requires an extra-provincial transport undertaking operating into or through a province to hold an operating licence if provincial law requires an operating licence for a local undertaking. The provincial board is authorized to grant this licence, which is in the nature of a franchise, and in so doing the provincial board follows the rules applicable to local undertakings. In other words, the provincial board is authorized to license extra-provincial transport undertakings in the same manner as it licenses local undertakings. This method of conferring power on provincial boards to license extra-provincial undertakings is considered by the law officers of the crown to be within the competence of parliament.

The bill also makes provision for regulation of tariffs and tolls charged by federal carriers for the transport of goods and passengers. The same pattern is followed as in the case of the operating licence. If tariffs and tolls for local traffic are regulated by provincial law, then the tariffs and tolls for extra-provincial traffic are to be determined and regulated by the provincial board in the same way as tariffs and tolls are determined and regulated for local traffic.

In order to deal with unforeseen circumstances which may possibly arise in the future in connection with highway transport movements for national defence and also in respect of international agreements and other extraordinary cases, it has been considered advisable to provide for exemption by the governor in council of the whole or any part of an extra-provincial undertaking from all or any of the provisions of the act. This is in the nature of a safety provision which will not be used unless there are cases of real difficulty in the operation of the act.

As this bill is one which concerns the provinces individually as well as collectively, and as it is not desired to transfer the responsibility for the regulation of extra-provincial transport to any province that is unwilling to accept this charge, the bill provides that the act shall come into force in any province only upon the issue of a proclamation of the governor in council.

Penalties are provided to ensure compliance with the act.

The bill is a short one and is readily understood. It is the government's answer to the difficult problem of how the provinces can be enabled to control and regulate highway transport crossing their boundaries and using their highways. The control of road traffic using provincial highways is essentially a matter for the provincial boards which are established and well qualified for this purpose. The solution proposed by this bill appears to be a satisfactory one within the framework of our constitution and I trust will commend itself to the house.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, the bill now before us is one that comes to the house at a stage in the session when there might be some suggestion that there would be difficulty in obtaining the information that ordinarily would be obtained without any question in connection with legislation of this kind. I am sure that if the legislation came before the house early in the session, immediately there would be a statement by the government that it was going to be referred to an appropriate committee which would hear evidence and, through the hearing of evidence, hon. members would be informed as to the effect of legislation of this kind in dealing with the extremely involved and difficult problem presented.

The statement made by the minister is a brief one and deals with what has taken place recently. The subject matter, however, is one that has been before the House of Commons, the parliament of Canada and the people of this country generally for some considerable time. As hon. members of the house are well aware, this problem is one which was the subject matter of consideration by a royal commission appointed by the

government. Members of the House of Commons are also aware of the fact that this matter was dealt with earlier by the Supreme Court of Canada, at the instance of the government of Canada. There was, in fact, a judgment of the supreme court rendered on October 22, 1951. That judgment, given almost three years ago, had the effect of declaring, with only minor limitations, that this was a subject which came fully under the authority of the federal government, through the provisions of section 92 (10) of the British North America Act. The applicable part of that section is as follows:

Local works and undertakings other than such as are of the following classes:—

(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province;

In the interpretation of that section it has been found that this means of transportation, as an extra-provincial means of transportation, came substantially under the authority of the government of Canada. Not satisfied with such limitations as were contained in the judgment of the Supreme Court of Canada, the provinces carried the appeal to the privy council. By judgment of February 22, 1954, as has been mentioned by the minister, it was declared that authority over extra-provincial or interprovincial transportation of this kind came under the jurisdiction of the government of Canada.

I would point out that substantially the position in which the matter is now before us was declared in October of 1951, and that this is not something that has suddenly come upon the government. It is something that has been under consideration for a considerable time. It is something that could have been discussed in conference with the provinces on earlier occasions. It is something that could have been discussed immediately after the judgment of the privy council.

We now have this bill before us on the 14th day of June, for second reading. It deals with highway transportation, which today is an extremely important part of the general system of transportation in Canada. Surely, when this subject is to be dealt with it would be appropriate that it be referred to a committee where representatives of those organizations engaging in transportation activities of this and other types would have an opportunity to present their arguments and hon. members thereby benefit from the information which would be placed before them.

The minister said that the conference sought to find common ground. Actually there is little evidence of common ground other than the fact that responsibility over extra-provincial and interprovincial highway transportation, as well as transportation within the provinces, is to be under the authority of boards set up in the provinces themselves. There certainly is no evidence of common ground as to procedure. There certainly is no evidence of common ground as to a method of supervising interprovincial or extra-provincial transportation; there certainly is no evidence of common ground as to rates or otherwise. We have before us a bill which produces an interesting result.

The government of Canada has been engaged now for several years in seeking to establish the position that it has full responsibility over extra-provincial and interprovincial transportation. Now that has been declared to be the law by the privy council. As soon as that is declared law, the government of Canada proposes to hand over to the provinces the responsibility for which the provinces have been fighting in the course of several years. It certainly seems a strange thing that large sums of public money would be spent to establish this position, and then once the position is established the authority for licensing and generally supervising this type of transportation should be placed right in the hands of boards appointed by the provinces under the provincial governments. That may be the best solution. That may be the solution which will work out most satisfactorily. I submit, Mr. Speaker, nothing has been placed before us to indicate why this is being done after all the legal activity which has been devoted to this subject for so many years, and after the inquiry which was conducted under the authority of this government when a royal commission investigated this extremely important subject.

The trucking services are giving very valuable services to our enterprises of so many kinds. Our railways are giving invaluable service; so are other means of transportation. Surely, in attempting to deal with this problem, we should have information before us such as we have obtained in similar cases, and the procedure should be followed which has been found to be satisfactory in those cases.

I recognize, as I am sure every hon. member does, that there are special problems in connection with highway transportation. There is first of all the fact that every province has responsibility for the construction of the highways within the province, and that the provincial authorities must of necessity gauge the relationship of that transportation to the capacity of those highways to carry services of those kinds. There is also the fact that we must recognize the vital part that this transportation plays now in the

whole economy of Canada. What is done should recognize its place in our economy. That demands inquiry; that demands information. It demands an appropriate opportunity to question those who are experts in this field and to form judgments based on information of that kind.

I would point out there is another aspect to this problem. We are dealing not only with highway transportation made available by vehicles owned by Canadian companies and individuals; we are also considering transportation provided by vehicles owned by companies and individuals in the United States. It is of interest to find that as recently as June 7 this dispatch was carried from Washington by the United Press:

> In a move admittedly aimed at Canadian truckers, the House of Representatives voted today to subject operators of foreign trucks using American highways to interstate commerce commission safety regulations.

The report then went on to deal with this question and to indicate that certain provisions were to apply to the truckers using the highways of the United States which had come there from Canada. Surely, this suggests to us the desirability of information from those with direct knowledge of this type of activity which will inform us as to what should be done here to deal with a similar situation within our own country.

I would point out further that there is one clause of this bill which produces a very striking result, namely clause 5, which reads as follows:

> The governor in council may exempt any person or the whole or any part of an extra-provincial undertaking or any extra-provincial transport from all or any of the provisions of this act.

I understood from what the minister said that the bill was so designed that the government would be able to take appropriate steps to assure certain things being done. As I read this clause it is simply one which authorizes the governor in council, or in other words the government, to exempt any person or the whole or any part of an extra-provincial undertaking or any extra-provincial transport from any or all of the provisions of this legislation.

That, Mr. Speaker, is hardly something that provides for positive action. It is something which merely provides for negative action which would remove whatever advantages the government now submits can be obtained from the operation of this legislation. I think we should have a clearer explanation of the full import of clause 5, before we are called upon to deal with this bill. The truth is that under clause 5 the whole of this bill can be swept aside by order in council at any time. If it is important that this bill be now put into effect, it is equally important that this legislation remain in effect until parliament has been consulted in regard to the matter, unless there are some reasons which have not been placed before us for the extremely wide power which would be conferred upon the government by the adopting of the measure as it stands.

This is an important subject, Mr. Speaker. This is a subject which is of interest to Canadians generally. In this tremendous country of ours, with its expanding development, transportation by rail, by highway, air or water is all part and parcel of that dramatic development which is now taking place.

Surely it is appropriate that we should assure the most effective type of legislation we can have when we are called upon to deal with any aspect of this great problem of transportation. If it was sufficiently important to appoint a royal commission to inquire into this subject, if it was sufficiently important to carry this argument through to the privy council, then it is sufficiently important that the subject matter of this bill be now referred to a standing committee of the house.

It is my intention to move that this bill be not now read a second time but that the subject matter be referred to a standing committee of the house. The committee to which I propose it should be referred is the committee on banking and commerce, because this is essentially a question of commerce within Canada and between Canada and the United States. I therefore believe it is appropriate that the committee on banking and commerce should deal with this as quickly as possible.

There is plenty of time to refer this immediately and call before that committee those who can speak with knowledge and experience in regard to the various aspects of this subject, and give us the information we should have before we pass a bill of this kind. In making this proposal I am certainly not reflecting on the judgment of those who represented the provinces in the conference which took place here. It would indeed be a very surprising thing if the representatives of the provinces did not welcome a bill which gave to them the full powers which they asserted before the courts should be theirs in any event. It would, in fact, be most unnatural if they should carry a legal battle into the courts and assert that they have this right of licensing and then, when the act is placed before them which confers that right by legislation passed by the parliament of Canada, that they should suggest they would not welcome it.

That is all that has happened in the bill now before us, except for the very sweeping and, in fact, complete reservation of power contained in clause 5 for reasons which have not yet been fully explained to us.

Having said that, may I also say I recognize that because of the delay in dealing with this subject a situation now exists which calls for attention. The fact is that because of the judgment of the privy council it is perfectly apparent that there is need of some kind of legislation which will make it possible to deal with some of the very irregular things that are happening at this time.

Whatever may be said of this legislation, the government must accept full responsibility for the legislation placed before us. If it is unsatisfactory, if it is limited in its effect, if it fails to carry out some of the purposes which the government on other occasions has stated it had in mind, then the responsibility for that must rest entirely with the government.

The government must also accept full responsibility for the delay. We could have had this simple measure before us weeks ago; we could have had this simple measure before us perhaps years ago if, after the judgment of the Supreme Court of Canada, consultations had taken place with the provinces such as have recently taken place. If, in fact, it was intended only to carry out a procedure of this kind which gives to the provinces the very kind of supervision for which they were fighting in the courts, then that could have been done at any time within the past few years.

**Mr. Fleming:** Hear, hear.

**Mr. Drew:** Therefore, if there is any suggestion of haste at this particular moment, let it be recognized that all responsibility for delay is the responsibility of the government itself. Let us also recognize—

**Mr. Chevrier:** Pretty weak.

**Mr. Drew:** Yes, perhaps the comment interjected by the hon. member is almost as weak as the position of the government itself on this occasion.

**Mr. Chevrier:** I was referring to the interjection made by the hon. member for Eglinton (Mr. Fleming). His "hear, hear" was very weak.

**Mr. Abbott:** The hon. member exhausted his voice this morning.

**Mr. Fleming:** Then I will express my feelings in a louder voice: hear, hear.

**Mr. Drew:** Mr. Speaker, since the minister has indicated that his remark was attributed to an hon. member who spoke earlier in the house today, I might just say that this is the first time I have heard any suggestion that that particular hon. member's voice is weak at any time he makes a remark in this house.

**Mr. Chevrier:** His "hear, hear" was pretty weak.

**Mr. Knowles:** So are some of his arguments.

**Mr. Drew:** Mr. Speaker, I am placing before the house in all earnestness the proposition that what has been done already by this government in carrying forward the legal proceedings which it has supported for some time, and the earlier action of this government in inquiring into this matter, fully justifies and in fact demands that this measure now go before a committee of the house. In fact, I can recall no single occasion in the time I have been here, and I recognize that period is comparatively short compared with the time many hon. members have been here, when a measure of this kind was not almost automatically referred to a committee of the house to obtain the kind of information which can properly be obtained by a committee of that nature whose expert knowledge is invaluable in reaching a considered judgment on an occasion of this kind.

I therefore move, seconded by the hon. member for Greenwood (Mr. Macdonnell):

> That Bill No. 474 be not now read the second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, it seems to me that in this legislation the government is feeling its way. I think perhaps the provinces are feeling their way. So we in the House of Commons are doing the same; we are feeling our way. When I first looked over the bill I was struck with the fact that it seems to contain a fair amount of confusion. After listening to the speeches that have been made thus far, I find that that confusion has been worse confounded.

I have always understood that it was not proper for the dominion and the provinces to delegate their powers to each other; but one of my learned counsel nearby informs me that there is a recent court decision that reverses that understanding. That seems to me to be involved in this bill, namely the delegation of powers. Up to a certain point it was understood that these matters were under provincial control. A court decision has been given which suggests that the matters covered by this bill are really under federal control. We now have a bill the purpose of which is to restore the status quo

ante or to put that jurisdiction, for all practical purposes, back into the hands of the provinces.

The puzzling question that arises is whether or not this is a case of delegating federal authority to the provinces; and if it is, will it be covered by precedents that allow such delegation or will it be covered by precedents that disallow such delegation.

I daresay some hon. members are saying that if the picture was confused before I started, it is now even more confused.

**Mr. Abbott:** Oh, surely not.

**Mr. Knowles:** I thank the Minister of Finance for agreeing with that suggestion.

**Mr. Abbott:** I said "surely not".

**Mr. Knowles:** Then I shall have to withdraw my words of appreciation. I think that what I have said indicates the nature of this legislation, Mr. Speaker. It is a problem that has been presented both to the federal government and to the provincial governments as a result of the recent court decision with regard to extra-provincial transport, and a rather uncertain attempt to meet it is being made in this bill.

I share the view of the Leader of the Opposition (Mr. Drew) that more light might well be shed on this matter. It seems to me that the proposition ought in some way to go to a committee of this house so that it might be examined and so that witnesses might be called. I am not sure that it is a good idea to oppose the second reading of the bill and then to send only the subject matter of the bill to the committee. If the amendment moved by the Leader of the Opposition is not accepted by the government, I would hope that the government might consider referring the bill, after second reading, to some appropriate committee so that some of these angles might be ironed out.

The reason I am reluctant to support the proposal that the bill be not now read a second time but that only the subject matter thereof be referred to a committee is this. Difficult though the problem is, at least we know that nine of the provincial governments and the one federal government that we have,—

**Mr. Fulton:** Such as it is.

**Mr. Knowles:** —such as it is, seem satisfied that this is the best solution to the problem for the moment. I am glad that an attempt was not made to correct this problem by seeking an amendment to the British North America Act. There is a certain finality and irrevocability about amendments to that act which, as I say, make it desirable that that course should not be followed, and it was not followed in connection with this matter. Rather a bill is being put forward. If, after a year or two, it is found that this is not the best solution to the problem, it is much easier to change it than it would be had we gone through the red tape required to have an amendment made to the British North America Act.

I hope that the federal government and the provincial governments will take that attitude toward the matter, namely that this is in effect a trial, an attempt to find a way in which to deal with this difficult problem. So it is that I hope the government will consider the suggestion I make as an alternative to the one proposed by the Leader of the Opposition, namely that after second reading the bill might be sent to a committee so that it could be gone into more thoroughly and so that we might get untangled some of these problems that it creates.

While I am on my feet dealing with the question of extra-provincial motor vehicle transport, I should like to say just a word with regard to a matter that is related thereto and about which we had some discussion earlier this session. I realize that the purpose and the effect of this bill is not to establish any uniformity as among the provinces with respect to travel on the highways; and that fact indeed adds to the confusion. Here we have a matter that has been declared by the courts to be one under federal jurisdiction. Yet we are delegating it back to the provinces and by this bill are according them a continuing autonomy in this field. Nevertheless this bill seems to provide what I shall call a meeting point among the provinces, with the federal government involved in that meeting, with regard to the question of travel on our highways. The fact that this common meeting point has been established—or has been forced on us, if you will, as a result of the court decision—I would hope might result in our various highway departments getting a little bit closer together on the matter of highway safety.

As I say, Mr. Speaker, we went into that matter at some length when we were debating the Criminal Code earlier this session, and I have no intention of reviving that debate. However, during the course of that debate it was brought out that some of the provinces have made some headway in curtailing accidents on the highway, with the loss of life and property that result therefrom. I think the provinces that have made headway have learned some lessons, and that they might well pass on to some of the other provinces what they have learned. I am particularly proud of the work that has been done in my own province of Manitoba in connection with this matter. I refer again to the excellent

work done by Mr. R. B. Baillie of Winnipeg. My hope is that the fact of the establishment of this meeting point among the provinces, with the federal government sitting in with them, might result in that question being discussed as well so that we might do something effective to cut down the mounting number of accidents that take place on the highways of this country from one end to the other.

After what I said at the beginning, Mr. Speaker, I do not pretend to have cleared up a great deal so far as this bill is concerned. After all, it is handed to us as a hodgepodge of confusion. It is a makeshift that has been devised to meet a situation that arose out of a court decision. Since nine of the provincial governments and the federal government think that this is the way to try to solve the problem, I feel that we have no alternative but to accept it on a trial basis. As I say, I am glad it is being done in this way rather than by an amendment to the British North America Act. But having accepted it on a trial basis I also feel—and I press this on the government—that consideration should be given to sending the bill, after second reading, to some appropriate committee.

**Mr. C. E. Johnston (Bow River):** Mr. Speaker, I should like to say a few words on this bill. I think the government has done a very wise thing in making the decision they did with respect to this matter. In days gone by I have opposed the government when I thought they were about to take over control of the truck transport industry and put it under federal jurisdiction. I never did think that would work out satisfactorily. Now that the decision has been made that this matter comes under the federal government they must accept that responsibility. I think the provinces have come to the conclusion that it is a federal responsibility, but they have also come to the conclusion that it will be an exceedingly difficult problem for the federal government to lay down rules and regulations regarding truck transport which will be satisfactory to the provinces.

In my judgment this is an entirely different problem from the railway problem. Truck transport has been under the control of the provinces for many years. Trucking is not a new industry in western or central Canada. It is something that the provinces have been dealing with for the last twenty-five or thirty years. Therefore it is not quite right to say that we are now throwing something into the laps of the provinces which they are not in any way prepared to handle. I think the provinces are going to be able to work out the problem in a very satisfactory manner. It is an important problem too because in western Canada particularly trucking is about the only effective competition that the railways have. In central Canada water transportation is of course a most effective form of competition. Air transportation also has its place.

Now that the deepening of the St. Lawrence waterway is about to take place, competition in central Canada will be even more keen. But we in western Canada do not have such effective competition. Therefore I think that the matter of truck transportation is something that the federal government must deal with as quickly as possible. I cannot see that anything will be gained by sending the bill to a committee. The matter was considered for months and months before the royal commission. I do not see how a committee of the house could begin to examine the problem as effectively as the royal commission did.

It should also be pointed out that this matter is not something entirely new to a committee of the house. It will be recalled that it was referred to a committee when the question of transcontinental rates was discussed and received a very thorough going over there. I doubt very much whether a committee of the house could deal as effectively with the subject matter of the bill as the provinces in conference could deal with it. A conference has already been held in Ottawa, and while it was in progress I kept in very close touch with the representatives of the province of Alberta. It is true that the bill does not go as far as they would like. They would have preferred to have an amendment of the British North America Act so that the matter would definitely be put under the control of the provinces. Personally that would have satisfied me too, but the government did not see fit to do so. Therefore the provinces have agreed that this is the next best way.

I have not heard any great disappointment expressed by the provinces with respect to the results achieved at the last conference in Ottawa a few weeks ago. I have kept in rather close contact with members of the transport organizations of Canada. They have no great objection to this measure. I am convinced that they would also prefer to have an amendment to the British North America Act so that the matter would be clearly defined as coming under the jurisdiction of the provinces, but again may I say that those to whom I have spoken have agreed that this is the next best way.

None of them has indicated to me that this is going to be a very complex problem. At

the time I spoke to them the bill of course was not before the house, but I think it was fairly well understood from the discussions with the provinces what would be in the bill. I cannot imagine that the Minister of Transport would have allowed the representatives of the provinces to go home without giving them some idea of what was going to be in the bill when it came before the house. Certainly since the bill has been introduced I have not had any protests from the trucking organizations across Canada or any of the provinces, including Alberta. They seem to be quite agreeable to accepting this measure.

It is true that it will be a new type of legislation in that it is going to have some effect interprovincially and internationally, but the provinces have already had some dealing with the United States with respect to transportation problems between different states and provinces in the Dominion of Canada. In fact it has already been agreed in some instances that trucks from certain states in the United States should be allowed to use the roads in certain provinces without any extra charge provided our trucks are given the same consideration. The information I have from the minister of highways of the province of Alberta is that what dealings they have had with the governments of different states of the United States have been extremely satisfactory. Everything has been going along very well.

I cannot agree that we should delay this measure any longer by sending it to a committee of the house. If we were to do that I do not think we could deal with it at this session. If I thought for a moment that any good would come out of such a procedure or that we would learn anything that we have not already learned from other committees and the royal commission that have dealt with this subject in the past, I would go along with those who suggest that we should send the bill to a standing committee of the house. But I cannot see any good to be gained from such action. I think it would cause unnecessary delay. We would have to call before us witnesses who have already appeared before the royal commission. We would only get a repetition of their evidence and we would probably come to the same conclusion.

Therefore I know that this party will have to vote against the amendment moved by the Leader of the Opposition (Mr. Drew) and we shall give full support to the bill with one exception. I know it is not proper for us to discuss the sections of the bill at this time, but I am a little concerned about exactly what section 5 means. However, may I say again that I have received no protests from the provinces or the trucking organizations, and I imagine this section has been discussed with them by the minister. We are confident that when we come to the section the minister will give a full explanation of it. If he does not do so at that time, then of course we will take appropriate action; but as matters stand now I think we have to agree with the government in getting the measure through as quickly as possible.

**Mr. Harold E. Winch (Vancouver East):** Mr. Speaker, this is a very important bill. I have been reading it with a great deal of interest. I have listened to all the speeches and followed very closely the amendment of the Leader of the Opposition (Mr. Drew). I cannot agree with the remarks of the previous speaker that it is not necessary to send the bill to a committee of the house. I find myself, Mr. Speaker, very confused about this bill, because my understanding is that this bill, as the result of a decision of the supreme court, is to outline the authority in the hands of the provinces and in the hands of the federal government.

In the interpretation section of the bill we find such definitions as "extra-provincial transport"; "extra-provincial undertaking"; "federal carrier"; "law of the province"; "local carrier"; "local transport"; "local undertaking"; and "provincial transport board". All those definitions are under the interpretation section of the bill. The powers start in clause 3 of the bill, and are contained in clauses 3, 4, 5 and 6. I cannot see where there is any line of demarcation or anything different from what transpired in the past. There is no actual power over interprovincial transport, as I read this bill, and I hope the minister will correct me if I am wrong.

**Mr. Speaker:** May I interrupt the hon. member to ask him not to anticipate the committee stage. If his argument on second reading with respect to principle revolves around one section and he refers to it, at this stage of the session one may be lenient; but he has already read one section and now he wants to read another. I know he will not mind my intervention at this point in order to ask him not to anticipate the committee stage. If he is making an analysis of each section on second reading, he will not have the pleasure of discussing them in committee of the whole because, I am sure, he would not wish to repeat his arguments.

**Mr. Winch:** The point I am trying to make is this. In analysis of the principle of this bill I can find no line of demarcation of power concerning interprovincial transport. It outlines in principle the powers of a province

and does give provincial jurisdiction, but does not outline any power or authorization on a logical basis to cover arrangements for interprovincial transport by motor vehicles. Perhaps I am wrong on that, but so far I just cannot see how this bill makes any arrangement to cover interprovincial transport.

In principle a bill does make an arrangement for the authority exercised by a province in connection with tolls and licences, but as to the relationship between the federal government and the provinces covering extra-provincial traffic, I cannot see that this bill covers the point. Personally, having some knowledge of this problem, I should like to see this subject referred to a committee. I do not know whether or not it should be the committee referred to in the amendment introduced by the Leader of the Opposition (Mr. Drew) or some other committee, but there are so many problems that need examination that the bill should be studied by a committee before it is passed by this house.

**Hon. Lionel Chevrier (Minister of Transport):** I should only like to address my remarks at this time to the amendment moved by the Leader of the Opposition (Mr. Drew). The amendment reads as follows:

> That Bill No. 474 be not now read the second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

The house knows that the result of the adoption of such an amendment would mean the killing of the bill. There is no doubt that if this amendment were to carry, and the subject matter were referred to a standing committee such as referred to in the amendment, it would be studied there and it would be only the subject matter that could be reported upon. Therefore, practically a new bill would have to be drafted.

I raise that point because it is of the essence of the agreement or at least the understanding reached between the provinces and the federal government at the conference that this bill now before the house would become law during this session of parliament. There is another reason also why this amendment by the Leader of the Opposition should not be accepted. Because of the judgment of the privy council there is no legislation existing with reference to extra-provincial jurisdiction. There is, therefore, no legislation covering extra-provincial undertakings, undertakings that move from one province to another or from one province into the United States. It is of the utmost importance that this position be not allowed to remain for any length of time, because if it did there would be, as there is to some extent now, a chaotic condition in the field of highway transport.

I believe one of the main reasons which brought the provinces and the federal government together at the time was the uncertainty in that field of legislation, and the desirability of not allowing that uncertainty to remain for any lengthy period of time. I do not want to deal with the arguments of the Leader of the Opposition now, because I think this is not the time.

**Mr. Winch:** Where does this act change the situation?

**Mr. Chevrier:** Would my hon. friend allow me to deal with that position at a later stage in the debate? I am now dealing with the amendment moved by the Leader of the Opposition, and in effect say that if that amendment were carried it would simply kill the bill. There would be no legislation this session.

**Mr. Drew:** I do not want to interrupt the minister because he is approaching this subject on a mild and conciliatory basis, but I do point out that I recognize there is a vacuum that must be filled. I pointed that out in presenting this amendment and said I was following the only device by which it is open to the opposition to propose that the subject go before a committee. I said I did that with the idea that the bill be not killed, but that the committee be convened while we are sitting, and their study and recommendation could be made available to us.

**Mr. Chevrier:** I thank the hon. member for clarifying what he said, but in what he has just said there is no doubt the bill would be killed. My understanding of a motion of this nature is that it has the effect of killing the bill, and that it is impossible to bring the bill back in time to enact legislation.

**Mr. Drew:** It is only killed if the government kills it.

**Mr. Chevrier:** Let my hon. friend realize this. There is more to this subject than he seems to realize. If this bill were to go to that committee, and the same reasons apply to any committee, even railways, canals and telegraph lines, for instance, the very principle that was established at the conference, namely the intention of the government to turn this field over to the control of the provinces, would be challenged by many groups who are opposed to the federal government doing what they are doing now, and who think the federal government should enact a federal motor carriers act. And if that were the case, does my hon. friend realize what length of time it would take? If he has any doubt about

it, all he has to do is read the legislation that was brought down in this house in 1937 and 1939 and see what happened when the federal government attempted to take over the field at that time.

There is no doubt in my mind that if this amendment is adopted it will prejudice very strongly the position which was approved by the provinces and the federal government at the conference.

**Mr. Winch:** What are you afraid of, then?

**Mr. Macdonnell:** Does the minister think the time will come when the representations from various people, to which he referred a moment ago, should be heard? If so, when, and in what circumstances?

**Mr. Chevrier:** I would like to deal with that question on the main motion. I hope the hon. member for Vancouver East (Mr. Winch) will bear with me, because I do not think at this stage I should deal with matters which he and other hon. members have brought forward. I would like to reserve those remarks for the discussion on the main motion.

At the moment all I am saying, on behalf of the government, is that I feel I must oppose the amendment offered by the Leader of the Opposition (Mr. Drew). I feel that is necessary in the light of the undertaking reached at the federal-provincial conference.

**Mr. Knowles:** Would the minister permit a question? Would he comment on the suggestion I made? Obviously the reason I ask him to do it now is that the attitude of some members toward the amendment might be affected by the view the minister would take on the proposal that the bill be sent to a committee after second reading. Procedurally there is quite a difference.

**Mr. Winch:** On a question of privilege, I do not wish to be misunderstood. I am in favour of the principle that has been outlined by the minister. But, in my opinion, the bill does not carry out that principle. That is the reason I asked him the question.

**Mr. Chevrier:** There are two matters to consider, and I shall not confuse them. First, there is the motion that the subject matter of this bill be referred to a committee. That, alone, is the subject with which I am dealing now. And I am saying, on behalf of the government, that we oppose it.

The hon. member for Winnipeg North Centre (Mr. Knowles) asks for the reasons for not referring it to a committee. My reply to that is this: we have not reached that stage and, if my hon. friend would allow me, I would rather deal with it when we have disposed of the amendment.

[Mr. Chevrier.]

**Mr. Knowles:** The attitude of hon. members toward the amendment might be affected by the minister's reply.

**Mr. Speaker:** Is the house ready for the question? The question is on the amendment moved by the Leader of the Opposition. All those in favour of the amendment will say aye.

**Some hon. Members:** Aye.

**Mr. Speaker:** All those opposed will say nay.

**Some hon. Members:** Nay.

**Mr. Speaker:** In my opinion the nays have it. I declare the amendment lost.

**Mr. Drew:** On division.

Amendment negatived on division.

**Mr. Speaker:** If the minister speaks now he will close the debate.

**Hon. Lionel Chevrier (Minister of Transport):** Mr. Speaker, I think I can repay the Leader of the Opposition (Mr. Drew) the same compliment he paid me a moment ago, by saying that he approached this very complex and difficult problem in a conciliatory manner. I commend him for it, because this problem has been discussed in the house on more than one occasion and not always in this manner.

I think the argument of the hon. member can be summarized in this way, that he feels there is not enough information before the house at the moment, and the hon. member for Winnipeg North Centre (Mr. Knowles) seems to hold the same view. For that reason the Leader of the Opposition has pointed out that some committee ought to give consideration to hearing evidence in the matter.

He also referred to delay and, as he expressed it—"Why could we not have had this bill weeks ago? Why could we not have had this bill years ago?" Well, I am glad to say that my hon. friend did not insist too much upon that argument, because I know he was on weak ground when he made it.

We could not have had this bill weeks ago, neither could we have had it years ago, and for a number of excellent reasons. May I give some of those reasons? In the first place, while it is true that the Supreme Court of Canada handed down its decision in the Winner case in 1951, there was an appeal from that decision to the privy council. If the federal government had attempted to obtain the views of the provinces while the judgment was under appeal, I do not think the provinces would have welcomed a conference. I do not think they would have listened to the federal government; and, in

any event, most certainly it would have been in bad taste for the federal government to have sought the views of the provinces when the matter was still under litigation.

And what confirms that last opinion is this, that the judgment of the privy council in fact varied that of the Supreme Court of Canada. So *a fortiori* the position of the federal government would have been questionable had it attempted to obtain the views of the provinces while the matter was still *pendente lite*.

Then my hon. friend says that there were weeks of delay in bringing the matter before the house. Let us see what happened. I think it was the day after the judgment of the privy council was handed down that I made a statement in the house indicating what the government intended to do, and pointing out its reluctance to enter the extra-provincial field of transportation, and its desire to call a conference as quickly as possible.

That conference was called at the end of April. During the time of the conference, which lasted some three days, I believe a satisfactory conclusion was reached. However, the provincial representatives had to go back to their own governments to obtain the consent of those governments to the proposal found in the bill now before the house. All that took some time.

I say to hon. members that the bill was brought here just as fast as it could possibly be brought, having regard to the circumstances. Hence no time was lost. And when one thinks—

**Mr. Winch:** But it does not do what you want to do.

**Mr. Chevrier:** Well, I will deal with that later on.

Then my hon. friend said that this matter should be referred to a committee, and he feels there should be an opportunity to discuss a matter of such grave importance before a committee. The reasons I gave earlier—and I shall add others—obtain now against referring the matter to a committee. I do not think it would be wise to refer the bill to the committee on banking and commerce, to the committee on railways, canals and telegraph lines, or to any other committee. I may be mistaken, but I do not think it should be referred, and I will tell you why: Because there are groups and associations in this country who feel that this jurisdiction should be taken over by the federal government, and that the federal government should enact a federal motor carriers act.

Well, now, we have determined against that after very careful consideration, and we have invited the provinces, who are the ones responsible for this kind of traffic, to come here and discuss this matter, and we have asked them whether or not they felt like taking this over. They said, or at least one did, "Well, we would prefer to do it by amendment to the constitution". We said, "Well, we have no authority to deal with that, and in any event that is not practicable at the present time". They said, "Well, if it is not, then we shall go along with you in this kind of legislation". We sat down and we drafted, after quite a considerable length of time, a bill the principle of which is contained in this bill. In fact it is practically the same bill with a very small change.

What would be the effect of referring this to a committee?

**Mr. Macdonnell:** What is the principle?

**Mr. Chevrier:** The effect of referring this to a committee would be to hear representations from those who are opposed to the manner in which we are doing this. If anyone has looked at the history of extra-provincial transport in this house since 1935 we will find that we will be here not for one week, two weeks or three weeks, we will be here for months discussing this very matter and hearing representations about the manner in which and the means whereby this should be done.

Why did we proceed to act in the way in which we have? For several reasons. We felt that we did not have the necessary experience nor the necessary staff or personnel to deal with this kind of traffic. After all, the provinces have been dealing with this traffic for years; it is their business; and all they will be doing by means of this enabling legislation will be to extend the powers which they possess under provincial legislation to cover extra-provincial undertakings. Then, we have not the staff; we have not a board. And what board would we establish, the board of transport commissioners? That is the logical board. Do you know what would happen if we were ever to do that? There would be a series of representations by the truckers, by the shippers, against the board. They would say: "That is a railway board; it is not a trucking board. Give us a trucking board. You are not fair to us". Anyone in this house knows that this is a very complex matter, and therefore, if we wanted to be fair to the trucking industry, which is a big industry, taking on more and more importance in Canada because of the development of highways, we would probably be doing them an injustice if we were

not setting up a separate board independent of the board of transport commissioners. What does that mean? Extra costs, extra personnel, extra staff not only in Ottawa, but in every province in this country. Was it not a logical thing to do as we did, to invite the provinces here and to say to them: In view of all these things, in view particularly of the fact that when we did attempt to control it back in 1935 and 1937 you protested bitterly against it and you said, that is not the way to do it, is it not logical for you to take it over? The provinces on the whole felt that this was the thing to do. When I say "the provinces" I should make one exception. I meant that all the provinces with this one exception felt that this legislation would meet their position.

They did raise some question about clause 5, but that can be dealt with when we come to it in the committee of the whole. I say that those are two of the important reasons why it would not be proper, why it would unduly delay the matter if it were referred to a committee of the house.

A third reason is that we have an undertaking with those provinces. We told those provinces that if that draft was acceptable to them and to their governments we would submit it to the house at the earliest possible moment during this session. If the bill is sent to a committee and I am right in my assumption that many groups and associations will come here and challenge the principle of this bill—

**Mr. Winch:** Why should they not have the right?

**Mr. Chevrier:** My hon. friend is quite right; certainly they should have the right. What I am pointing out is this. If they come here and challenge it, as they would have a perfect right to do, why should not the provinces come down and give the reasons why this bill should be adopted in principle? I repeat what I said earlier. I have some experience and I say what the hon. member for Bow River (Mr. Johnston) said. We know what happened in connection with the Railway Act and the amendments having to do with the railway freight structure. We were here for weeks and weeks and then we were not able to bring about a measure which was entirely satisfactory. The point I am making to the hon. member for Vancouver East (Mr. Winch) is that, of course, if it goes to a committee, then it should be thrown wide open, principle and all. If it is thrown wide open to the railways of Canada, because they will want to be heard, to the trucking associations, to the Canadian Manufacturers Association, to the industrial traffic league, and of course to the provinces, you cannot do that in less than months of study. That certainly is the experience that some of the officers who were here long before I was have had in this very difficult problem. Therefore we came to the conclusion—

**Mr. Macdonnell:** Will the minister permit a question? Really it is one I have asked before. I am still not clear as to whether the minister thinks there is a problem which must one day be faced. If so, why and under what circumstances? He is painting the difficulties. His description of the difficulties is very clear, but it still leaves the question in my mind. If there is a problem that has to be dealt with, when are the difficulties going to become less?

**Mr. Chevrier:** The problem that has to be faced must be faced now, and we are facing it with this bill. It is the decision of the government to deal with these problems by authorizing, through this enabling legislation, the provinces to control extra-provincial highway transport; extra-provincial undertakings.

**Mr. Winch:** May I have an answer to the question I asked? In view of the statement of the minister, I asked him wherein, on the principle of this bill, with all its clauses, is the power for the provinces to deal with extra-provincial traffic.

**Mr. Chevrier:** Again we are getting out of order. Let me put it this way.

**Mr. Winch:** On the principle.

**Mr. Chevrier:** On the principle I will answer him. There are two clauses dealing with the very point. Those are the three reasons which I give to the committee for the objection to referring the matter to the railways, canals and telegraph lines committee.

**Mr. Macdonnell:** Will the minister permit another question?

**Mr. Winch:** May I have an answer to my question?

**Mr. Speaker:** Order. If the hon. members are so anxious to ask questions we ought to let the Minister of Transport complete his remarks and then go into committee of the whole on the bill.

**Mr. Macdonnell:** This is not a question on detail. What I want to ask the minister is this. From certain expressions that he used I have thought that this was in the nature of stopgap legislation. But a moment or two ago he used what seemed to me entirely

different language and I thought he referred to it in effect as a final solution. Which is it?

**Mr. Chevrier:** My hon. friend has been coming back to that question on three occasions. This is not a stopgap solution. This legislation is brought about by the judgment of the privy council in the Winner case. It is urgent because of the reasons I gave earlier, and this is the manner in which the government proposes to deal with the problem before us at this time. If my hon. friend will look at clauses 3 and 4 of the bill he will, I think, find the answers to his questions.

There are a number of other matters which the Leader of the Opposition (Mr. Drew) dealt with, and he made particular reference to the royal commission. But he did not say to which royal commission he was referring, whether it was the Rowell-Sirois royal commission or the Turgeon royal commission. If it is the latter, then there was certainly in the terms of reference no direct reference to this subject matter. There was a general reference which allowed the commissioner to bring in a recommendation on any matter affecting the railway structure, or railway or transportation problems, and the commissioner did bring in the recommendation which covered this point.

But there were other studies made by committees of this house and others who brought in recommendations which were exactly to the contrary. In any event, Mr. Speaker, it strikes me that the legislation which is before the house is one which has been approved by the provinces and which has their concurrence, with the exception of the province of Quebec. As I said earlier in my remarks, the position of that province is being covered as well as that of any other province by the last clause of the bill. It also has the concurrence, I understand, of all the trucking associations, and it is important that the operation should not be delayed. For those reasons, Mr. Speaker, I feel that the legislation should not be referred to a committee of this house.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. Cameron (Nanaimo):** Mr. Speaker,—

**Mr. Speaker:** The hon. member cannot speak at this time because the minister has closed the debate.

**Mr. Cameron (Nanaimo):** But, Mr. Speaker, the minister was up and down so often that I could not be quite sure whether we were on formal second reading.

**Mr. Speaker:** If the hon. member was not quite sure because questions were being asked and answers given, then perhaps he will now be anxious to reach the committee stage. Is it the pleasure of the house to adopt the motion?

**Mr. Fleming:** On division.

Motion agreed to, bill read the second time on division, and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Short title.*

**The Chairman:** Shall clause 1 carry?

**Mr. Fulton:** Mr. Chairman, perhaps this is the time to ask the minister to indicate what proposals, if any, he has for the submission of this admittedly difficult problem for further study. I think he will agree with me when I say I think it is a fair summary of the implication of his remarks that the government is not certain that this is a final and complete answer, that something more is necessary, and that this is the best thing that could be devised in the meantime. I would therefore ask the minister what proposals, if any, he has for submitting this bill for further study.

**Mr. Chevrier:** Mr. Chairman, I did not state that this was a temporary measure. I think I answered the hon. member for Greenwood by saying that this was not stopgap legislation, but on the contrary it was the government's answer to the problem as we saw it today.

That does not mean to say that we are not going to be careful about the operation of this legislation. It may be that the provinces may have some difficulties in putting it into effect. It may be that we will have some difficulties, and the bill may have to be amended. If it has to be amended, then parliament sits every year, and I do not think there will be any more difficulty in having a conference of the provinces with the federal government on this subject than there was on other subjects. This year, in less than a month, we got together and within three days we had determined what we would do and clearly understood each other. I think also that it was clearly understood that we would give them the control and allow their provincial boards to deal with extra-provincial traffic, so far as licences and tariffs were concerned, in the same manner in which they are now dealing with provincial traffic. If difficulties arise I am quite sure they will be brought to our attention and we shall deal with them within the existing circumstances.

**Mr. Fulton:** That being the case, Mr. Chairman, are we to take it that the government

feels this is the proper course to follow? I would ask why it was that the Attorney General of Canada intervened in the case before the Supreme Court of Canada and on the appeal before the privy council against the decision of the New Brunswick court, which confirmed that the dominion had the right? Why did the Attorney General of Canada intervene and argue before these two courts that the dominion had the right?

**Mr. Garson:** Mr. Chairman, perhaps I may be allowed to answer the hon. member's question. I am sure he must be familiar with the principle that where a constitutional case comes before the courts and in which the ambit of the jurisdiction of the federal authorities is challenged, as a matter of routine, in order that there will be an accurate judicial disposition of these questions, we take part in the case and recognize a responsibility for so doing in order to work towards a wise judgment of the court as to the division of jurisdiction between the federal government and the provincial governments. The fact that we have done so in the present case is no foundation at all, if I may say so, for the suggestion that once federal jurisdiction has been clearly established as in the Winner case, we should use that federal jurisdiction in one way or another as a matter of policy. Now that this question of jurisdiction has been cleared up by the decision of the privy council in the Winner case, the policy that the federal government proposes to follow in relationship to the exercise of that jurisdiction is to be found in the bill now before the house.

**Mr. Winch:** There is just one point, Mr. Chairman, I would like to direct to the attention of the Minister of Justice. There was a decision of the supreme court to the effect that jurisdiction as far as interprovincial vehicles were concerned was a federal matter, and as a result of that there was a conference between the federal government and the provinces and they came to an agreement—

**Mr. Garson:** If I may interrupt the hon. member, the conference to which he refers did not follow the decision of the supreme court. That decision was appealed to the privy council and it was not until the privy council had rendered the judgment in question that the conference between the federal government and the provinces took place for the reasons which have been very lucidly given by the Minister of Transport.

[Mr. Fulton.]

**An hon. Member:** Six o'clock.

**Mr. Winch:** Only as a result—

**The Chairman:** It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at eight o'clock.

**The Chairman:** Bill No. 474, clause 1; shall the clause carry?

**Mr. Winch:** At the time of the adjournment at six o'clock, Mr. Chairman, I was discussing the principle of the bill which is contained in clause 1. In view of the discussions in the previous hours and the statements made by the minister and the Minister of Justice, I have taken the opportunity to make a further study of this bill. In view of that study I should like to continue my remarks on the principle of it and perhaps, in my statements, to ask certain questions which I think are of importance.

I can say that in principle I agree with the intent of the minister on the introduction of this bill, namely to give to the provinces of Canada the power of control over extra-provincial motor vehicles. However, on reading the bill I have in my mind certain doubts which I should like to have clarified at this time, and I think perhaps there are doubts in the minds of others. As I understand the situation, the courts of the land have declared that the constitutional and jurisdictional control of extra-provincial motor vehicle transport is within the federal powers. In view of that decision—and I think it is accepted by all—the government has introduced an act authorizing the provinces to exercise a power of jurisdiction which under the constitution is declared to be strictly a federal power. My first question therefore is this: Will the Minister of Justice clarify the situation with regard to the jurisdictional power, when the highest courts have declared that the constitutional jurisdictional power is federal?

As I understand constitutional law, there are three ways in which the difficulty can be overcome. One is by an amendment to the British North America Act. The second is by the passage of an act requiring ancillary legislation by a province. The third is by the passage of an act which is of a permissive nature. In view of the fact that the constitutional jurisdiction in this matter has been declared by the courts to be strictly federal, I am going to presume that this legislation is of a permissive nature because

of a section of the act which says that it will come into force in a province only upon the issue of a proclamation of the governor in council declaring it to be in force in that province. I presume that it is by proclamation of an act of a permissive nature that the government is introducing an act giving power to the provinces, although the courts have declared that it is strictly a federal responsibility. I think that is the first question that should be clarified at this time.

Going on from that point, because I am certain that the Minister of Justice has taken note of it, I follow on to the general principle of the bill. As I have said before, I think the government has reached a right conclusion in believing that this should be a matter of provincial jurisdiction. But in principle, I cannot find where the government, under this act, is giving to the provinces extra-provincial powers with respect to motor vehicle transport. I have read carefully all the sections of the bill and I cannot find in any of them any power which is not now exercised by the provinces of Canada. In view of the recent court decision, perhaps they may have been operating illegally. Perhaps that is so. I do not know. But in the various sections of Bill No. 474 I cannot see where, in the matter of interprovincial responsibility, they are being given one more power than they have exercised for years with regard to licensing, tariffs and tolls.

This is supposed to be an extra-provincial motor vehicle transport bill. There too I cannot find a section of this bill whereby there is any authority or set-up between the provinces by means of which we can get around all the problems of the past in connection with extra-provincial transportation. Under this act the powers of the provinces are clear with respect to licensing, tolls and so forth. But when the trucker hits the border between British Columbia and Alberta, as I read the bill he then comes under the complete control or authority of Alberta; and the same situation prevails with respect to Alberta and Saskatchewan and with respect to Saskatchewan and Manitoba. Where is this new set-up—which to put the matter quite bluntly, I have been hoping for—of co-operation, collaboration, understanding and agreement between the provinces? I cannot find it in this bill. Perhaps I have missed it. If so, I know the minister will set me right. I know that I am not alone in missing it; a great many of us in this chamber have missed that set-up.

There is something else in the principle of this bill which I think is of the utmost importance. I understand that at the recent conference the provinces did not all agree on this matter. If I am incorrect in my statement, I hope the minister will straighten me out immediately. I understand that the province on the Pacific coast and the provinces on the Atlantic coast agreed. One other province did not.

What is the position with respect to extra-provincial transport if you cannot get from a province in the middle of Canada to those on the east or west or vice versa because one province has not agreed to Bill No. 474? Does that mean that the province that has not entered into the agreement, or perhaps a province that might withdraw later, can cause a Balkan blockade of truck transport east and west from the Pacific to the Atlantic? I ask that question because of the principle involved. I cannot see anything in the bill whereby the federal government, in handing over this jurisdiction to the provinces, takes any authority itself with respect to licensing in order to protect the provinces that come into the agreement and provide for free access across Canada even if one province does not enter the agreement.

In other words, any one province can block the intent of the government and the minister to establish a free system of extra-provincial motor transport across Canada. I cannot see anything in the bill which gives the federal government any power whatsoever if any one province wants to block the other provinces of Canada so far as motor vehicle transport is concerned. That is a very important matter to me and I hope the minister will discuss it. As I said, first of all where does the power arise under this bill, which is of a permissive nature? In the second place, where is the extra-provincial arrangement? For, as I read the legislation, every province has always exercised every power contained in the bill? Where is the set-up to bring about correlation and co-operation so far as the arrangements are concerned? You are granting to the provinces what has been declared by law to be a federal power. I agree with that, but where does the legislation contain any power whereby the federal government will be able to see to it that no one province can interfere with the application, implementation and meaning of the legislation, the purpose of which is to ensure freer access across Canada and to avoid any stalemates so far as vehicular transport is concerned?

**Mr. Chevrier:** Mr. Chairman, I should like to deal with the questions which my hon. friend has raised, and if in the course of my

remarks I do not cover all the points or there are still some legal difficulties I will ask my colleague, the Minister of Justice, to deal more fully with the legal points that are raised. My hon. friend seeks to inquire how, if by virtue of the judgment of the courts the power to deal with this matter lies with the federal government, as it does, it is possible to give the provinces control such as we seek to do in this bill. He suggested that after studying the matter there were three methods by which it could be done. Perhaps I might say to him that there are two methods by which one could proceed.

First there is the method of enacting federal legislation and taking advantage of the powers that were determined to belong to the federal government under the British North America Act. We have decided against that. There is more than one method by which we might authorize the provinces to exercise this jurisdiction. It could be done by legislation by reference. That, I understand, is of doubtful legal validity. It could be done by delegation, and it could be done in this manner. The courts have held that this is a perfectly legal way in which to do it, namely, to give to provincial boards, not to provincial legislatures but to provincial boards, the same authority to deal with extra-provincial traffic as they have to deal with provincial traffic. Parliament has already conferred such authority on provincial boards as in the case of the Prince Edward Island potato marketing board and a number of others with which I need not deal.

That is a legal matter which was gone into carefully at the conference. Most of the attorneys general were present and all of us agreed that if it were to be done this was the best method by which to do it. Therefore I am accepting their view on it, and I do not think there is any doubt about the legality of this procedure.

The hon. member also stated that he could not find any place in this legislation where the government is giving the provinces any jurisdiction over extra-provincial transportation. That is contained in sections 3 and 4. I do not know whether I will be out of order in dealing with them at this time, but the powers the federal government has to control extra-provincial undertakings it gives to these provincial boards in the same way as these provincial boards control provincial undertakings. Again, it certainly was the view of the attorneys general who were present at the conference that this was the most practical way in which to do it.

[Mr. Chevrier.]

**Mr. Winch:** May I ask a question? Can the minister tell me how what is provided for in section 3, to which he has referred, is any different from what goes on now?

**Mr. Chevrier:** I am not suggesting it is any different from what goes on now. Coupled with what I said in my earlier remarks on second reading of the bill, the effect of the statement I make now is that we want the provinces to continue to regulate and control extra-provincial transport undertakings in the same way as they are controlling provincial transportation at this time.

**Mr. Winch:** Can we agree on that?

**Mr. Chevrier:** My hon. friend then says: What will happen when traffic moving out of British Columbia arrives at the border of Alberta? What will happen when traffic moving out of another province arrives at the border of the province which has not agreed to this arrangement? The answer is quite clear. The law will be exactly the same as it is now. As I stated earlier, there is one province that did not see fit to give its concurrence to this legislation. The province of Quebec in its wisdom submitted at the conference that it would prefer a constitutional amendment. I doubt if the constitutional amendment requested by that province was the same amendment in substance as that requested by the other provinces. Be that as it may, it did indicate that it was not satisfied with this act as it stood. If that province does not put this act into effect, as it has a right to do, there will be no law in that province in so far as extra-provincial undertakings are concerned, and that goes for any other province that does not want to take advantage of this enabling legislation.

But I cannot see that any harm will befall anyone. Supposing for instance, there is a trucking company that wants to move from Victoria to the Atlantic provinces, say from Vancouver to Halifax, Nova Scotia, and one province says it will not put this act into effect; the truck can still go through; it will not be operating illegally. It was agreed by all the provinces it would be a good thing to have clause 5 or a clause that would be in the nature of clause 5.

I must say that subject to one reservation, because I am sure the hon. member for Bow River will probably want to correct me. There were some misgivings on the part of Alberta, but they did come along and state they would be satisfied to accept that clause. They preferred another method, but rather than see the position of extra-provincial undertakings in the way it is now, they would much rather have this bill.

Well, I believe I have answered the four questions asked by the hon. member for Vancouver East, as I had them noted.

**Mr. Knowles:** May I ask the minister a question arising out of the statement he just made? He gave the example of a truck moving from Vancouver, British Columbia, to Halifax, Nova Scotia, and referred to the fact that it would be going through one province, namely, Quebec, in which this act would not be in effect. He said there would be no difference. The truck would go through that province, just as it would go through any other province. What is the advantage of a law of that kind, where it does not seem to make any difference whether or not it is in effect?

**Mr. Garson:** In order to convince my hon. friends of the C.C.F. party, Mr. Chairman, perhaps it would be a good plan for me to quote my legal principles from a source they will not likely impeach. Therefore, I should like to establish some of these fundamental principles from the very excellent brief presented on behalf of the government of Saskatchewan. I want to make it clear that I do not agree with everything that was said in that brief, but I do agree with everything I shall now quote.

**Mr. Knowles:** What is unique about that?

**Mr. Garson:** The hon. member for Vancouver East said he was puzzled by the fact that under this bill it was proposed to clothe the provinces with powers from federal sources to do the very same thing that they had been doing up to date provincially.

**Mr. Winch:** I am sorry, I did not put it that way at all. I said I was only puzzled as to why this act gave them power, but not extensive powers on extra-provincial traffic.

**Mr. Garson:** Yes, I understood my hon. friend to say that this is the same thing they had been doing all along.

**Mr. Winch:** Yes.

**Mr. Garson:** I now quote briefly this statement from the Saskatchewan brief:

> Until the S.M.T., (Eastern) Limited litigation—

That is the Winner case.

> —began it seems to have been generally assumed that a motor vehicle, carrying freight or passengers was under the exclusive legislative jurisdiction of that province in which the vehicle happened to be situated at any given moment. In other words, no legal concept was considered to be involved other than property and civil rights in the province.

As my hon. friend knows, that comes within provincial jurisdiction. Then, the brief says:

> It followed, therefore, that the legislative jurisdiction of a province over highways within the boundaries of the province was complete in the matter of use thereof by interprovincial or international motor carriers.

Therefore the province, as this correctly states, up until that time had been dealing with intra-provincial transport, which was and still is wholly within that provincial jurisdiction, and had also been dealing with interprovincial transport between provinces, and also with the international transport, such as that involved in the Winner case which came from a location in Maine and went up through two Canadian provinces.

**Mr. Winch:** Until the privy council said it was illegal.

**Mr. Garson:** My hon. friend is quite right —until the privy council said it was illegal. And perhaps if I read one or two short extracts from the privy council judgment, we might illuminate another point that has been giving my hon. friend difficulty. Their Lordships said this:

> The province has indeed authority over its own roads but that authority is a limited one and does not entitle it to interfere with connecting undertakings—

A connecting undertaking such as the Winner movement.

> It must be remembered that it is the undertaking, not the roads which comes within the jurisdiction of the dominion, but legislation which denies the use of provincial roads to such an undertaking or sterilizes the undertaking itself is an interference with the prerogative of the dominion.
>
> Whatever provisions or regulations a province may prescribe with regard to its roads it must not prevent or restrict interprovincial traffic.

As Their Lordships have indicated, this does not in any way prevent what is, in essence, traffic regulations, but the provisions contained in the local statutes and regulations must be confined to such matters as traffic regulations.

Then, Their Lordships go on to say that whether the legislation in question in any case is, in pith and substance, traffic regulation or whether it is an interference with interprovincial traffic, must be decided on the facts of the case before the court. In the Winner case, they held it was an interference with or sterilization of interprovincial traffic.

Now, that being so, upon the privy council rendering its decision in the Winner case, the problem which arose was as to what was to be done with regard to that regulation of interprovincial traffic which up until that time had been provided by the province. They had the organization, the staff and everything else that the dominion did not have. The bill that is now before the house enunciates and provides for the bringing into effect of the principle that the officials in the provincial transport boards shall, in effect,

continue to provide, under federal jurisdiction and authority, that control over interprovincial and international traffic, which up until the present time they had exercised, as it would appear from the Winner judgment perhaps wrongfully, under provincial authority. And that is the reason why this Bill 474 authorizes the provincial boards to carry along that control over interprovincial traffic which the hon. member for Vancouver East says is just the same as it is at the present time.

Now, so far as a province in which this act has not been proclaimed is concerned, any interprovincial traffic which flows through that province cannot be interfered with or sterilized; for the only way in which a province, after the Winner case was decided, can control, regulate or license interprovincial traffic, is under the federal authority given by this present bill, particularly sections 3 and 4.

If my hon. friend will examine the section before him he will see it says, simply, that a provincial motor transport board shall under its terms regulate, and shall have power to grant licences to interprovincial traffic. And the provincial boards will have that power by virtue of the action of this parliament exercising federal jurisdiction to clothe the provincial motor transport board's personnel with such powers.

My hon. friend asks how that can be done. Again I would refer him to this excellent Saskatchewan brief which says, as is obvious—

—that the only way in which this problem can be dealt with, whether as in this bill or even if the dominion government assumed control itself over interprovincial and international traffic, would be to correlate its efforts in this field with the efforts which the provinces at the same time would be putting forth to control intraprovincial traffic.

So no matter what legal alternative is adopted by this parliament, we still have to have the co-operative approach. And you cannot get a better example of the co-operative approach than the bill now before the house. The Saskatchewan brief puts it in this way:

The co-operative approach proposed depends upon the method of overcoming the constitutional division of legislative competence. It seems clear on constitutional grounds that the outright delegation of authority from the federal government to provincial governments or vice versa is out of the question.

That is to say, parliament cannot clothe a provincial legislature with the power to pass an act which the provincial legislature itself has not the power to pass, under the British North America Act. Then the brief goes on in these terms:

It seems equally clear however that—



As the Minister of Transport explained a moment ago, in line with this decision in the Prince Edward Island marketing board case—

—a provincial board may receive the authority of the parliament of Canada to carry out certain functions within the jurisdiction of that parliament. This power is not impaired by the fact that it has also received the authority of a provincial legislature to carry out certain functions within the jurisdiction of that legislature.

In other words, when a provincial legislature has clothed the persons in a provincial board with power to deal with intra-provincial motor traffic, it is then quite within the power of this parliament to come along and pass this bill, and say to the members of that board, "You shall also have federal authority under this bill to control interprovincial traffic."

**Mr. Fleming:** Would the minister permit a question?

**Mr. Garson:** Yes.

**Mr. Fleming:** I believe what he is saying, and what was said earlier by his colleague the Minister of Transport, is that a provincial board in those circumstances has jurisdiction to accept a grant of jurisdiction from parliament, if provincial legislation has been passed also clothing it with the same power to accept that grant of jurisdiction from parliament. May I ask the minister how many provinces have already passed the necessary legislation to clothe their provincial transport boards with authority to accept the grant of jurisdiction from parliament with respect to international and interprovincial highway traffic?

**Mr. Garson:** To begin with, that was not what I said. What I said was that this bill purported to clothe the provincial boards, which are now exercising jurisdiction under provincial statutes, with power to administer Bill No. 474, which we are now discussing. And the right of the provincial boards to receive power and exercise power under a federal statute is not impaired by the fact that the personnel of those boards is at the same time receiving and exercising power under provincial legislation.

From now on—and I think this is in answer to the hon. member for Vancouver East as well as the hon. member for Winnipeg North Centre—these provincial boards, which heretofore had been exercising intra-provincial powers and also, although mistakenly, interprovincial powers—will from now on continue to exercise intra-provincial powers, and under the authority of this legislation will validly exercise interprovincial powers.

**Mr. Fleming:** May I ask a further question?

**Mr. Fulton:** Should not this discussion take place under clause 3?

**The Chairman:** I understand the hon member for Eglinton wishes to ask a supplementary question.

**Mr. Fleming:** Yes. The minister did not answer my question. Would he explain his view on this point—and I may have misapprehended the point of his argument as well as that of the Minister of Transport earlier. Does he say that any provincial legislation is required to enable the provincial transport boards to accept from parliament the gift of jurisdiction over international and interprovincial highway traffic? We know that under provincial legislation the provincial boards are clothed with authority to deal with intra-provincial traffic. I would like to know the minister's view as to whether any provincial legislation is required to enable a provincial transport board to accept this proposed gift of jurisdiction over international and interprovincial highway traffic.

**Mr. Garson:** I do not think that that matter is really a practical or relevant one, because at the conference, upon the proceedings of which this legislation is based, all of the provinces not only expressed approval of this co-operative method of dealing with the problem, but they expressed approval of the terms of the bill. That being so, the point my hon. friend from Eglinton now raises, as to there being a necessity for the provincial board in any given province, by reason of the manner in which it has been set up for provincial purposes, requiring to have a clause in the bill creating it or a later provincial bill authorizing it to receive authority from the federal, is without significance; for I am sure that that authority would be forthcoming without question from the province.

**Mr. Fleming:** But that is not the point. I had hoped we might have from the Minister of Justice an expression of opinion on this point, because it is important and relevant. If such provincial legislation is necessary to vest authority in the provincial transport board, then I wish to know how many provinces have passed such enabling legislation, because if that is the case, this bill will not fill the present gap. It will still be necessary for the provincial legislatures in every case to meet and pass such enabling legislation. That may have the effect of extending the present jurisdictional gap until next February or March in many cases. Therefore the point is very important, and I think we should have an expression of opinion. I gathered from the statements of both the ministers that they were saying that enabling provincial legislation is necessary in such cases.

**Mr. Garson:** No, I did not say that.

**Mr. Fleming:** If I misapprehended the minister's argument I would wish that it be cleared up for the record now, because the point is important.

**Mr. Garson:** In my last statement a few moments ago I thought I made the position as clear as I could make it, and that is, that the federal parliament can clothe any group of people that it chooses with powers to exercise authority under this legislation. It may be that with some eight or nine provinces coming under this arrangement and with the provincial legislation doubtless varying to some extent, from one province to another, by reason of the nature of the type of board created under a certain provincial statute, clarifying provincial legislation might be needed to make it clear that that precise board could accept authority granted to it by federal legislation. Apart from some difficulty of that sort that may occur in legislation that I have not even seen, I do not think there is any difficulty presented at all by this parliament clothing certain persons with authority which they may exercise under this bill.

**Mr. Fleming:** One further question: I understood the minister to say that this bill had been submitted to the dominion-provincial conference.

**Mr. Garson:** That is right.

**Mr. Fleming:** That is a form of consultation concerning a bill that would have been interesting if we had known about it this morning in a debate on another matter.

**Mr. Abbott:** You made a good speech.

**Mr. Winch:** I have listened very carefully to the statements in the past few minutes which were made by the Minister of Justice, and to some of them I can say—what is the expression—"love that man", because, as I understood the statement of the minister, actually in view of the decision of the privy council, for many years the provinces have been acting illegally in their control of intra-provincial traffic, and that is one reason why I said—

**Mr. Garson:** May I correct my hon. friend. I know he did not mean it, but he said "intra". They have always had authority over intra-provincial traffic.

**Mr. Winch:** Extra-provincial traffic; all right. As I understand clauses 3 and 4, this legislation will completely legalize all their operations. Am I right there?

**Mr. Garson:** No. Clauses 3 and 4 will authorize them from this point on, that is the officials of these provincial boards from this time on, to carry on with their regulation of interprovincial traffic under federal authority.

**Mr. Winch:** That, Mr. Chairman, is exactly the way I understood it, except that I do not see where the interprovincial board comes in in those provinces. The minister has not made that clear. It is still within the borders of the province, because all the relations are confined strictly within the confines of a province. You can come in from Alberta to British Columbia or from British Columbia to Alberta, but where do you get the extra-provincial basis of organization which I think basically you will have, a co-ordinated system across Canada? Where in the legislation is that, or is it there at all?

**Mr. Garson:** I think it is very simple. An interprovincial undertaking crosses provincial boundaries from time to time. When it crosses the interprovincial boundary between British Columbia and Alberta going west it comes into the province of British Columbia and its activities as an interprovincial undertaking in British Columbia will by virtue of this bill be under the control of the members of the provincial board acting under federal authority.

**Mr. Winch:** Where is that in the bill?

**Mr. Garson:** If my hon. friend will look at clause 3 he will see it says:

> (1) Where in any province a licence is by the law of the province required for the operation of a local undertaking, no person shall operate an extra-provincial undertaking in that province unless he holds a licence issued under the authority of this act.
>
> (2) The provincial transport board in each province may in its discretion issue a licence to a person to operate an extra-provincial undertaking into or through the province upon the like terms and conditions and in the like manner as if the extra-provincial undertaking operated in the province were a local undertaking.

I think it is very clear. As long as they are in that province their activities are under the control of that board acting under federal authority.

What I understand my hon. friend from Vancouver East is now driving at is this. In view of the fact that a provincial undertaking may extend through seven or eight provinces, how can a number of separate boards, each having authority to deal only within its own area, control this operation; that is, their operations through seven or eight provinces. Well, Mr. Chairman, the answer to that is found in arrangements which have now been in existence in Canada for some considerable period of time under which, by reciprocal arrangements between those various provincial authorities, licensing is provided for the undertaking through all of those provinces for fees that will be perhaps 100 per cent in the home province of the undertaking and for less than 100 per cent in the other provinces and in some cases American states, in consideration of those provinces and states extending the same kind of an arrangement in respect of such interprovincial undertakings as are located in those other provinces as their home provinces. These reciprocal arrangements exist by virtue of the same kind of interprovincial co-operation as we are now trying to perpetuate by dominion-provincial co-operation. This is the way and the only way in a federal state in which it is possible to secure that over-all regulation of interprovincial motor traffic in all of the provinces concerned.

**Mr. Knowles:** May I go back to my question of half an hour ago. We have had quite a long answer, but part of my question is still unanswered. In the case of the truck that started out from Vancouver, British Columbia, half an hour ago, on the way to Halifax, Nova Scotia, under whose jurisdiction, so far as this undertaking is concerned, is that truck when it is travelling through a province in which the federal government has no board which it has clothed with these powers?

**Mr. Garson:** I thought I had answered that question when I quoted rather extensively from the judgment of the privy council in the Winner case. It seems to me that the position there is this: Once the Winner case is decided in the way in which it was decided, no provincial board can regulate an interprovincial undertaking except under federal authority. Therefore, if this act be not proclaimed in a certain province there will not be in that province any board that can do anything more than provide traffic regulations, weights, and so on with respect to interprovincial undertakings and, as I understand it, there will be no board in that province which will have the power to prevent an interprovincial undertaking from going through that province.

**Mr. Knowles:** In other words, during the time in which that truck is going through that province it is not under any jurisdiction?

**Mr. Garson:** It is under possible federal jurisdiction which is not *in esse* by reason of

the fact that the relevant federal statute has not been proclaimed to be in effect in that province.

**Mr. Winch:** Let us stop there. I do not quite understand. Let us speak in English.

**Mr. Garson:** "*In esse*" means "in being".

**Mr. Winch:** I do not know what that term means.

**Mr. Garson:** It means "in being".

**Mr. Winch:** The hon. member for Winnipeg North Centre has put us on the track. If there is one province or more which does not come under this act when passed by the house and a truck passes through that province, then I take it that, in accordance with the decision of the privy council, it will then be the responsibility of the federal government and that they will convey that truck through on their regulations. Is that correct?

**Mr. Garson:** I presume my hon. friend's question is asked as being relevant to the bill which is now before us. Under the circumstances he names I do not think I can add anything to the answer I gave a moment ago to the hon. member for Winnipeg North Centre. If this bill becomes law and it is not proclaimed in a province, then an inter-provincial undertaking can take its trucks through that province, and providing it complies with the rules of the road, traffic regulations, weights, and so on, it cannot be denied ingress or egress or passage through the province.

**Mr. Knowles:** In other words, Mr. Chairman, the purpose of this bill was to fill a vacuum which now exists, and even after the bill is passed if there are provinces which do not wish to have this bill proclaimed with respect to their area there will still be a vacuum to that extent.

**Mr. Garson:** If my hon. friend calls that a vacuum—

**Mr. Winch:** I am sorry, Mr. Chairman, and I do not want to hold up the passage of this clause, but I wish to be quite clear about this. I do not think there is a vacuum. I understood the minister to say that if a province does not come in on this agreement after the act is passed then, regardless of this vacuum, if a truck complies with the rules of the road then that truck cannot be denied ingress or egress or passage through that province. Is that correct?

**Mr. Garson:** Yes.

**Mr. Quelch:** Mr. Chairman, I would like to ask if the same thing applies to buses. For example, in the past buses coming from Alberta through Saskatchewan, particularly in the case of the Greyhound line buses from Calgary to Saskatoon, had to discharge their passengers as soon as they reached the Saskatchewan border, and the passengers had to board a different bus. Does that still apply?

**Mr. Chevrier:** Clause 2 (a) covers that point.

**Mr. Johnston (Bow River):** What is the answer?

**Mr. Chevrier:** I thought I answered that this is covered by clause 2 (a), which covers both passengers and goods.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Operating licence.*

**Mr. Fulton:** Mr. Chairman, I have been waiting for some time to deal with some of the points I wish to make, though I might add that some have been anticipated in the earlier discussion which, I thought, should have taken place under this clause. I would like to follow up in some detail the question of whether this scheme will in fact succeed, whether it is sound judicially, and whether if it is to succeed it does not require concurring provincial legislation.

As I understand it, the legal basis on which the department has proceeded in drafting this legislation is the Prince Edward Island potato marketing case in which it was held that while parliament has no authority to clothe a provincial legislature with any of its jurisdiction, it has nevertheless the authority to delegate to a board which may have been set up under provincial legislation the administrative power which the federal government would have had the right to confer on its own board, had it created such a board.

But I suggest that that case cannot be taken as deciding anything beyond what it decided on the basis of the facts on which it so decided. I suggest there is a fundamental difference between the facts in that case with respect to the marketing of potatoes, and the facts which would be present in a case of a highway or public utilities board seeking to exercise control over the operation of a truck outside its borders or, alternatively, one which had come into its borders from outside under a licence granted by an authority outside its borders.

In the Prince Edward Island potato case the marketing board itself which was given authority to exercise the federal parliament's administrative jurisdiction was not using the

roads of another province. The only persons who would be using the roads of another province would be using them as individuals and therefore that province would naturally have complete and exclusive jurisdiction over them, whereas what the government is purporting to do under clause 3 is to allow one province to say how a person shall be allowed and who shall be allowed to use the road from another province. I submit there is a fundamental difference in the factual basis of the two situations so that the Prince Edward Island potato case can be of no application to this situation where you are trying to give one province the authority to exercise, with respect to the use of the road from another province, the authority which is vested only in the federal government.

I would like to hear from either minister as to how they feel the case of P.E.I. Marketing Board *v.* H. B. Willis Inc. is applicable as general authority for the present legislation.

**Mr. Garson:** In reply to my hon. friend's question, I would point out that if he will examine the bill he will see that clause 3 of the draft bill requires an operating certificate, if the provincial laws require an operating certificate for a local undertaking. Under subclause 2 the provincial board is authorized to issue such a certificate and in doing so the provincial board is required to follow provincial rules applicable to the issuing of a provincial certificate. Provincial legislation of this character applied to local undertakings would be constitutional.

Now, the reply to my hon. friend's question, I think, is this, that parliament can confer authority on provincial boards, as was decided in the case I quoted, namely the Prince Edward Island potato marketing case, and parliament can adopt provincial rules by reference. In the various statutes there are several examples of this, as my hon. friend knows. They are not confined to the Prince Edward Island case by any means. As I would point out, this practice differs from delegation. Parliament is not attempting to confer upon the legislature of any province jurisdiction to enact laws that the provinces themselves would not have the power to enact under the British North America Act. I see my hon. friend nodding his head in assent. That was the position that I took earlier. Parliament here is simply saying that the rules that a provincial legislature has validly enacted within the ambit of its powers in relation to a subject matter over which it has jurisdiction shall be rules applicable in relation to a subject matter over which parliament has jurisdiction. Recognizing the point or the purported point of the remarks which my hon. friend made a moment ago, I am endeavouring to state the precise reason why this proposed bill is intra vires of parliament.



**Mr. Fulton:** I agree with the proposition the minister has put forward as to the scheme of this bill. But the point that I made—and which the minister has not dealt with—is that the judicial basis upon which the government says that this bill will stand up is the Prince Edward Island potato marketing case.

**Mr. Garson:** Not exclusively.

**Mr. Fulton:** On what other basis, then? What other authority is there for it? That is the case which established clearly and beyond any doubt that the federal government had the authority to delegate to a board set up by a provincial authority the administrative authority which the federal government might otherwise have conferred upon its own board. That is my point. I am not questioning the decision. That case is obviously the final declaration of the law.

What I am pointing out is that that case cannot be taken as authority for any proposition which goes beyond the facts upon which that case was decided. What was done there was to give the Prince Edward Island potato marketing board authority to regulate the marketing of Prince Edward Island potatoes in areas where otherwise the Prince Edward Island board would not have had any authority. It was with respect to produce originating within that province and over which therefore, initially at any rate, that province had jurisdiction; the jurisdiction of that province over produce originating within it was extended outside the province by the delegation.

What you are doing here, however, is the exact reverse. The facts are completely inverted as between the two cases. Here this legislation seeks to delegate to a provincial board authority to make regulations with respect to an undertaking which originates outside the province and is seeking to go into the province. In other words, this bill seeks to give, say, to the Alberta board power to make regulations governing the passenger or freight-carrying activities of a British Columbia corporation.

**Mr. Dickey:** Within the province of Alberta.

**Mr. Fulton:** Within the borders of Alberta.

**Mr. Dickey:** Why not?

**Mr. Fulton:** This is the exact inverse of what was done in the Prince Edward Island potato marketing case where the authority of the Prince Edward Island board was in respect of potatoes originating in Prince Edward Island, and where they were allowed, as it were, to follow them outside of their borders. They were not given authority to take something coming from outside, under the order in council that was passed, and to make with respect to it provincial regulations which they would not otherwise have had authority to make. Therefore the facts of the two situations are completely different.

**Mr. Garson:** With great respect may I say that I think my hon. friend, in the remarks he has just made, has overlooked the fact that all that this bill purports to do is to clothe the provincial board with federal powers in respect of those matters which are taking place within the province in which the board acts. That is all it purports to do. Because an undertaking is interprovincial and because it passes through British Columbia and Saskatchewan and Manitoba does not give the Alberta board power over it in respect of those things that take place in connection with it outside of Alberta. But, in relation to those things which took place in Alberta, this bill is simply saying that the rules that a provincial legislature has validly enacted in relation to a subject matter over which it has jurisdiction shall be the rules applicable in respect of a subject matter over which parliament has jurisdiction. The board is dealing in the one case with intraprovincial motor transport operations and in the other case with interprovincial operations.

**Mr. Fulton:** Perhaps the minister and I just will not be able to come to a mutual understanding of the point I am trying to make, so I leave that one for the time being and come to another one.

The question has been raised already as to the necessity for the provincial legislatures' enacting concurrent legislation to authorize their boards to accept jurisdiction. So far I do not think we have had a clear answer on that point. But again, going back to the statement of principle which I do not think the minister could controvert—and I do not think he would want to do so—namely that the basis of this legislation is the Prince Edward Island potato marketing board case, again I say that that case cannot be taken as authority for a proposition with respect to facts which are entirely different. It is only authority for a proposition where the facts are similar. In that case the Prince Edward Island legislature had passed legislation authorizing their marketing board to accept jurisdiction and administrative authority which might be conferred upon it by the dominion government under its concurrent legislation. Chief Justice Rinfret, in his judgment, referred specifically to that feature of the case, as will be found at page 398 of the Supreme Court Reports of 1952. His judgment with respect to that portion of it, which held that the Prince Edward Island board was properly authorized to make regulations under the dominion statute, was in part most clearly based upon the fact that that board had been authorized by its own legislature to accept that jurisdiction. Any other proposition, of course, would lead to an absurd result which I am quite sure the government, if it gives it any consideration, would not seriously put forward, namely that a board set up by a province for one purpose and with no thought that it should step in for another purpose, might suddenly be told by the dominion government: We want you to act for us in this particular respect and capacity. That proposition, of course, would be perfectly absurd. I am sure that the government would not seriously put it forward for a moment.

I should therefore like to hear further from the minister as to what provinces have agreed to enact concurrent legislation and what happens if they do not enact it; and in the meantime, I should like to hear what answer he gives to the proposition already put forward by the hon. member for Eglinton, in the absence of that concurrent legislation. In many provinces it cannot possibly take place now until the session of the legislature next spring. What happens to the gap in the meantime to which reference has already been made?

**Mr. Garson:** Mr. Chairman, I have answered this same question three times already, I think, and I really despair—

**Mr. Fleming:** The minister has talked all around it; he has not answered it.

**Mr. Fulton:** The minister has not come to grips with the points that have already been made.

**Mr. Garson:** Oh, yes.

**Mr. Fulton:** Does the minister agree that the Prince Edward Island case was decided on the basis that there was passed in that province legislation authorizing their board to accept jurisdiction conferred under the dominion statute?

**Mr. Garson:** Mr. Chairman, this is just playing with shadows. Does my hon. friend entertain such a low opinion of the provincial

governments of Canada that he thinks they would send their representatives—in many cases their premiers and their attorneys general—down here for a two-day conference and then would be unwilling to take any steps that might be necessary to make effective this bill which they approved? Does he think that? And if he does not think that, what is the sense of these points which he has been raising?

**Mr. Fulton:** I am not going to be put off by any ridiculous approach. I asked the minister a question which I assumed, perhaps wrongly, it was within his competence as Minister of Justice to answer. Will the minister answer the question?

**Mr. Sinclair:** He has half a dozen times.

**Mr. Fulton:** He has not answered it yet.

**Mrs. Shipley:** He has.

**Mr. Fulton:** Does the minister know? Has he read the Prince Edward Island potato marketing board case recently? Does he know? Has he got any information whether it was based on the fact that there existed enabling legislation within that province?

**The Deputy Chairman:** Shall the clause carry?

**Mr. Fulton:** No, Mr. Chairman, not until the Minister of Justice shows the usual courtesy which is customarily expected from ministers, and answers a serious question in a serious manner.

**Mr. Garson:** Mr. Chairman, I will leave it to members of the house whether I have exhibited the usual courtesy.

**Mr. Sinclair:** Too much.

**Mr. Fulton:** Has the Minister of Justice got any opinion on the matter?

**Mr. Garson:** I have expressed it four or five times.

**Mr. Fulton:** The minister has not dealt with that question at all.

**Mr. Garson:** Now, Mr. Chairman, on a question of privilege, if I may say so, that remark of my hon. friend is completely inaccurate. I have answered this specific question two or three times already, and I think there is a limit to the number of times that one should have to answer the same question.

**Mr. Fulton:** I challenge the minister to examine the record at any stage and find where he answered the question which I asked him, namely, whether he does not agree that the decision in the Prince Edward Island potato marketing case, on which this legislation is based—

[Mr. Garson.]

**An hon. Member:** Partially.

**Mr. Fulton:** —was based in large part on the ground that enabling legislation already existed in that province. I challenge the minister to show where he has answered that question at any time.

**Mr. Garson:** My hon. friend has not been very attentive to the discussion this evening.

**Mr. Fulton:** Wait a moment. I have the floor at the moment.

**Mr. Chevrier:** You asked for an answer and he is giving it to you.

**An hon. Member:** Read it in *Hansard*.

**Mr. Garson:** Let him go on and talk as much as he likes.

**Mr. Fulton:** The minister has, it is true, sought on a number of occasions to evade dealing directly with the question whether or not it will be necessary for the provinces to pass enabling legislation, but he has not answered the question as to the basis on which this case was decided and whether or not, therefore, it will be necessary for similar legislation to be enacted elsewhere.

**Mr. Garson:** As I recall it, in my previous remarks at quite an early stage I referred to the Prince Edward Island potato marketing case as being authority for a rather elementary principle in constitutional law which I am sure the hon. member for Kamloops will not challenge, namely, that the federal parliament can confer federal authority and powers upon a board which is also exercising provincial powers. That is the only purpose for which I cited that case, and that is a sound statement of law for which that case is authority. I did not go into any of these details and technicalities my hon. friend is now bringing up. It may very well be that upon the facts involved in the potato marketing board case in Prince Edward Island it was necessary there, and that the provincial authorities did enact that that board should receive from the provincial legislature the authority to receive federal powers.

But I said in reply to the hon. member for Eglinton that, without having seen the relevant provincial legislation of any of the eight provinces involved with regard to motor transport, I could not commit myself offhand to an opinion, in respect of legislation that I have never seen, as to whether it would be necessary, in the light of that provincial legislation, for these provincial legislatures now to pass further provincial legislation authorizing the boards set up under their existing legislation to receive federal powers. My hon. friend himself is a lawyer. How much further could I spell out the answer

to a question of that sort? How does he expect me to give an opinion with regard to eight or nine provincial transport laws that, unfortunately, I have not seen? Would he do it?

**Mr. Sinclair:** Oh, gladly.

**Mr. Garson:** And what would he charge his client for an opinion of that sort?

**Mr. Fulton:** The minister has of course gone a great deal further in what he has said now than he did previously in answer to my question with respect to the effect of the Prince Edward Island potato marketing case. He has stated an opinion for which I personally would not pay anything because he has attributed to the case an authority which it does not contain in citing its finding, as he says, that the dominion government can empower any provincial board to exercise authority which would be otherwise reserved to the dominion parliament. I submit to him that case is no authority whatsoever for that proposition. It is on this point that I have been endeavouring to draw him into an intelligent discussion.

**Mr. Garson:** On a question of privilege, my hon. friend is again attributing to me remarks that I did not make, but I have no objection to that because *Hansard* will record what I said and it will record what he said that I said, which is a very different thing.

**Mr. Fulton:** I am trying to get to a basis of sensible understanding with the minister and I am not trying to say that he said things he did not say. I understood him to say, in explanation of the proposition he now puts forward, that the Prince Edward Island case established what he himself called an elemental constitutional proposition, namely, that the dominion parliament might clothe a provincial board with authority to exercise administrative functions within the purview of the dominion parliament. Is that not a fair summary of what the minister said? Does he now wish to challenge it?

**Mr. Garson:** No, so stated it is quite correct.

**Mr. Fulton:** That is, as I recall it, what I said the minister said.

**Mr. Garson:** Oh no, it is not.

**Mr. Fulton:** All right, we will proceed on the basis of what we have now got before us. I say that the minister in making that statement—

**An hon. Member:** You are getting slower every day.

**Mr. Dickey:** Get down to some facts.

**Mr. Fulton:** —has incorrectly interpreted this case because the Prince Edward Island case was decided on the basis of a set of facts which was that the Prince Edward Island legislature had previously conferred upon this board authority to accept delegated dominion administration. It is authority for no other proposition and it cannot, I submit, be cited as authority for the vague general proposition that the dominion government can run around the country giving provincial boards set up for one purpose authority to do things for which they were never set up. No court would of course agree with the interpretation of this decision which the Minister of Justice has just made, I submit, for the very reason that it obviously was not intended to lay down the proposition that boards set up for one purpose by the provinces could be clothed with authority for an entirely different purpose by the dominion unless the provinces themselves authorized the boards to accept that authority.

**Mr. Chevrier:** Eight attorneys general have already agreed on this point.

**Mr. Fulton:** We have been trying to find that out, and the minister has sought to answer that question by indirection. He has said: Do you suppose that the attorneys general would come down here and agree to this proposed legislation if they did not intend to see to it that their boards had the authority to carry it out? No, I give the attorneys general credit for rather more intelligence than the Minister of Justice—

**Some hon. Members:** Oh, oh!

**Mr. Fulton:** —does. What we are asking him, and I think we are entitled to an answer, is in how many provinces does there exist that enabling legislation? If the ministers do not know why do they not say so and save all this discussion?

**Mr. Chevrier:** May I try to clear up one point. I did not, during the course of the conference, discuss this subject matter with all of the attorneys general. It would not be accurate nor true were I to say that. But I discussed it with a number of them, and all agreed that this was the way in which to pass the legislation. I refer particularly to one attorney general whom I met out in the western provinces. He asked me how we were going to do this, weeks before the conférence took place. I indicated to him how we proposed to do it. He said, that is the only way in which it can be done. He said he had given this very careful consideration and had come to the conclusion the only way in which the dominion could clothe the provinces with control was by virtue of a statute which

would enable the provincial boards to do interprovincially what they were doing intra-provincially.

The draft bill which was circulated, and which was studied, is the result not of the Minister of Justice or of the Minister of Transport, but is the result of the conference of premiers in some cases and attorneys general in other cases, with their legal advisers who were there. They all came to the conclusion that this was the way in which to deal with it. Well, are we going to deal with this problem or are we not? If we are not going to deal with it—

**Mr. Fulton:** I wish you would just answer the question, that is all.

**Mr. Chevrier:** I know, but if we are going to deal with it, this is the method by which to do it.

My hon. friend has asked several questions in an attempt to differentiate between the Prince Edward Island potato case and this case. It may be so that the Prince Edward Island potato case is not entirely on all fours with this case, but that does not derogate from the fact that this, in the opinion of all those perhaps some 20 lawyers who were there, is good law.

**Mr. Fulton:** I agree that if it is going to be done by delegating authority to the provincial boards this is the only way to do it. I thought I had made it clear that the basis of this decision, and the subject of my inquiry, was that it appears that concurrent provincial legislation is also necessary. The very simple point I am asking is: Are the ministers in a position to tell us how many provinces have the necessary concurrent legislation; and, in the case of those that have not, what is to happen in the meantime about this apparent gap which will occur?

**Mr. Chevrier:** How many provinces have concurrent legislation? Perhaps I could reply in this way. At the conference the provincial ministers of highways were there, the attorneys general were there, and they must know whether or not they have concurrent legislation in the province. I would think, from what I know of the position, that the vast majority of the provinces have concurrent legislation. I know they have it in Ontario and Quebec. I think they have it in most of the maritime provinces. I believe they have it in Manitoba, but I have not got the statutes before me; I do not know.

I could say that had this particular problem been of the magnitude my hon. friend feels it is, rightly or wrongly, it would have been raised then because surely those provinces who consented to the principle of this draft bill must have known whether or not they had concurrent legislation. Notwithstanding that, the attorneys general felt they could go along with this bill.



**Mr. Fulton:** We in the federal parliament are concerned with the matter of interprovincial highway traffic control. I would have thought that the minister would feel he should be in a position to satisfy the federal parliament on the question: When this bill is passed, how many provinces will be in a position to apply it? That is what we want to know. Is this measure going to produce the desired results? I agree that this is the only approach if the solution is to give authority to the provinces, but what we want to know here, and I think are entitled to know, is when the measure is enacted how many provinces will be in a position to bring it into effect and have that control.

**Mr. Chevrier:** I think that is a fair question. How many provinces will be able to apply this provision? I believe all the provinces will be able to apply it. I feel that the provinces will put it into effect, save and except one. I speak now of the nine provinces. There was one province, Newfoundland, that was not represented at the conference, for obvious reasons, and that province will not need to put it into effect. From the conversations I have had with representatives of the provinces, from the correspondence that has come from each and every one of the provinces, save one, I feel this act will be put into effect as soon as it is passed.

**Mr. Fulton:** It would have been a lot simpler if the minister had answered first, instead of having his colleague confuse the situation.

**Mr. Fleming:** May I turn to another point raised by section 3? Section 3 provides:

> . . . no person shall operate an extra-provincial undertaking in that province unless he holds a licence issued under the authority of this act.

It further provides that:

> The provincial transport board in each province may in its discretion issue a licence to a person to operate an extra-provincial undertaking—

We have not spelled out here anywhere in the act any detailed provisions about the licence. This is the sum total of the provisions of the statute in regard to the issuance of a licence. I am sure the minister is aware that in the provinces which have entered into the field of controlling intra-provincial highway transport traffic, there are many types of licences. There are licences pertaining to common carriers; there are licences pertaining to contract carriers, and there are various types of each of those depending upon the type of route over which the licensee is to operate.

This section speaks only of a licence. The form of the licence is not prescribed. There is nothing here to indicate whether there is to be only one type of licence applicable to all types of highway transport. We have the whole question raised as to whether the operators of buses are to receive the same licences as operators of trucks. What about class A operators on the highways? What about class B operators on the country roads? What about class C contract carriers?

**Mr. Chevrier:** There are hundreds in Ontario, as my hon. friend knows.

**Mr. Fleming:** I believe the classes now run up to H.

**Mr. Chevrier:** There are many types in Ontario.

**Mr. Fleming:** There are many types for public commercial vehicles, and then we have passenger vehicles as well. It struck me as being very strange that this bill lacked provision to cover this point. It simply speaks about a licence. The form is not prescribed nor—and this is an equally important point—Mr. Chairman, does this section lay down the terms upon which a licence is to be granted. If you look at its provisions it simply says that the provincial transport board may, in its discretion, issue a licence. What is to be the meaning of that expression? What rules are to guide the provincial transport boards in the issuance of licences under the authority that is purported to be conferred upon them by this act?

The minister is aware that these provincial transport boards operate for the purpose of controlling the operations of public commercial vehicles and public passenger vehicles. They do so under the provisions of statutes which, in practically every case, direct that the licence be issued on proof of public convenience and necessity. There have been some interesting decisions, both in this country and the United States, upon what constitutes public convenience and necessity. There certainly has not been, on the part of provincial boards, any uniform interpretation of the meaning of those words, but at least they have some value in giving direction to the provincial transport board as to the grounds upon which they should proceed in dealing with applications. In the legislation now before us there is not one circumstance or rule to guide the provincial transport boards in dealing with applications for extra-provincial licences. This seems to me to be an extraordinary situation. It is left entirely to the discretion of the provincial transport board—an unfettered discretion. It seems to me that the house ought to give very careful consideration to language as broad in scope as this, conferring jurisdiction upon a provincial board without making the slightest attempt to lay down rules to guide that provincial board in dealing with such applications.

These are the questions which occur to me. What kind of licence is to be issued? What is to be the form of the licence? Who is to lay it down? Upon what rules are provincial transport boards to proceed in entertaining applications for licences for interprovincial operations?

**Mr. Chevrier:** I think the language set out in clauses 3 and 4 is meant to leave with the provincial boards the discretion, in so far as all the questions my hon. friend from Eglinton has raised, if I understand him correctly.

Let us take the province of Ontario as an example. My hon. friend is perhaps more familiar with that province, as I am. He knows that there are perhaps hundreds—I might be mistaken in that—but there are certainly—

**Mr. Fleming:** They run from A to H, inclusive.

**Mr. Chevrier:** Oh, far more than that. The attorney general in the province as well as the minister of highways said that there were countless numbers of licences granted by the Ontario railway municipal board to these various groups.

**Mr. Fleming:** But there are not that many classes. The classes are set out in the regulations under the act. If my memory serves me correctly they run from A to H.

**Mr. Chevrier:** Well, there are several classes, and several classifications, too, in respect of any licence granted by the board under the general rule of public convenience and necessity.

The provincial boards have had a great deal of experience in dealing with these applications for franchises, licences, permits, or whatever you call them—because different provinces call them by different names. They have had a lot of experience. We felt we should not tie provincial boards down to any particular kind of licence, or class or classification, but that they should be authorized to deal with extra-provincial applications in the same way, in the same method and under the same rules and conditions as they were dealing with intra-provincial applications.

That is the way the provinces wanted it. I remember very well the discussion having to do with Ontario, and that is certainly the way the attorney general and the minister

of highways in Ontario wanted it. They did not want it any other way, either. If this were to be amended the attorney general in Ontario would be the first to protest, and to protest vigorously. Clauses 3 and 4 covered the situation and suited Ontario best. There was some doubt about it at first; but after a full discussion we came to the conclusion that this was the method by which to authorize these provincial boards to deal with extra-provincial licences.

**Mr. Fleming:** Do I understand the minister to say that the words "upon the like terms and conditions and in the like manner as if the extra-provincial undertaking operated in the province were a local undertaking" import the rules as to the jurisdiction in these cases that would apply under provincial legislation? In other words, are we to understand that these words have the effect of importing the rule that the applicant must make out a case of public convenience and necessity before he establishes the right to a licence under this act?

**Mr. Chevrier:** If that is the position in the province, I would think that that will be the position hereafter. Certainly, if I understand correctly the rules in Ontario, a carrier must prove public convenience and necessity before he can obtain a franchise. And if this bill goes through he would still have to prove it.

**Mr. Fleming:** I am not at all satisfied that that is the result of this clause. I can understand the desire of the attorney general in Ontario to have applications of this kind dealt with in the same way as applications now coming before the Ontario municipal board for licences to operate intra-provincial highway transport. But I am not at all sure that that follows from the language used here. The words used are, "upon the like terms and conditions and in the like manner". It does not say, "subject to the same conditions or upon the same grounds".

This is an important question, because there is only one rule under the legislation of Ontario to guide the municipal board as to whether it should reject or allow an application. An application must prove public convenience and necessity. It is open to grave doubt whether any of these sections import that ground of jurisdiction or that condition of jurisdiction of the municipal board. I think it is open to grave doubt, because the words "like terms and conditions" apply, I should think, to the terms of the licences; and the words "in like manner" apply to the procedure before the board.

The minister knows that an application today is made to the department of highways.

[Mr. Chevrier.]

The department of highways refers the application to the municipal board, and there are certain forms that are completed, and certain proofs filed. Then the municipal board directs that the application be put on the list for public hearing.

It seems to me that the incorporation of that proceeding exhausts the significance of the expression "in the like manner". Therefore I come back to the original point which, it seems to me, is one of substance, that even if this clause is passed, we have not said that the municipal board, as in the case of an application for an intra-provincial licence, must confine itself to a case where an applicant has established proof of public convenience and necessity.

**Mr. Chevrier:** I feel, and I still think, that these words mean exactly what they say. The words "upon the like terms and conditions and in the like manner as if the extra-provincial undertaking operated in the province were a local undertaking" mean exactly what they say, and would authorize the extra-provincial movement in the same manner as the board authorizes intra-provincial movement. It was difficult to use other language.

My hon. friend has said: Why not tie the language down to meet a particular position? Well, it is a fact that certain provinces do not require proof of public convenience and necessity. Other provinces deal with the carriers in a way different from Ontario. And it is because of those various reasons that this broad and general language was used.

All I can do is accept the language of the draftsmen. The draftsmen have been some time doing this—draftsmen from the eight or nine provinces who were present. And it was drafted on the advice of the Department of Justice. So I have to accept it as meaning exactly what it says.

**Mr. Fulton:** I take it this will give to the provincial authorities power to do that which was the whole basis of the Winner case, in that a provincial board here would have the authority to refuse the operator of a bus or truck line the right to pick up and set down passengers within a province, even although the main operation of the truck or bus operator was across the province and between two other provinces. I take it from the wording of this clause that it is sufficiently wide open to permit a provincial board to make such a prohibition, if it desired to do so.

**Mr. Chevrier:** Let me answer my hon. friend's question in this way. The provincial board can license an extra-provincial carrier

or refuse to license an extra-provincial carrier in the same manner as the provincial board is now licensing or refusing to license an interprovincial carrier.

**Mr. Fulton:** Then that establishes it quite clearly. I agree with the minister in that interpretation, but I should like to have it clear that in the same way that the province of New Brunswick had the power to prevent a carrier in that case from picking up and putting down passengers within the province—that is, from picking up and putting down the same passenger within the province of New Brunswick on its way through—any board now would have the power to prohibit that from being done. I think that raises the question as to what steps are going to be taken by the federal authority to bring the provinces together to seek to bring about uniformity in matters of that kind to prevent the province that would have a natural inclination to do so from favouring their own commercial carriers, and thus to seek, by the refusal of licences to carriers from outside the province, to put traffic in the way of their own commercial undertakings that might lead to great difficulties in the development of trans-Canada trucking systems and bus systems. Admittedly this is a possibility I am speaking of, but I think it is a possibility that we in the federal parliament would have in mind. I should like to hear from the minister whether, after this act has been in operation for some time, any steps are in contemplation for working up a uniformity in truckers' regulations in respect to licensing.

**Mr. Chevrier:** As to the extra-provincial undertaking that exists now and that is operating from one end of the country to the other, if the provincial boards choose to give them a franchise and authorize them to go into each province, then those extra-provincial carriers can certainly pick up and set down—

**Mr. Fulton:** If they get a licence.

**Mr. Chevrier:** As to those that are now already operating, then, I suppose it would be within the discretion of the province to say no. If the province of Ontario, for instance, feels that there are far too many, or that there are a sufficient number of extra-provincial carriers, it can turn the application down; and if it does, well, the extra-provincial carrier is just out of luck.

My hon. friend raises a good point when he asks, well, what procedure is in mind? If this legislation goes through we shall soon find out how it operates. The understanding at the conference was that if this did not operate satisfactorily there was no difficulty about amending the act or perhaps finding a better solution than this. This was certainly the best solution that could be found at the time. If it is not satisfactory, parliament sits for eight months of the year—parliament will sit I do not know when, but certainly within the next few months—and I think we shall have an opportunity of looking at this again. But the act should be given a chance to operate to see if it will not be successful. We think it will, and believe the provinces do also.

Clause agreed to.

On clause 4—*Tariffs and tolls.*

**Mr. Fleming:** I have a point on clause 4. The minister is no doubt aware that while some provinces have legislation clothing the lieutenant governor in council in some cases, or provincial boards in others, with the power to require the publication of tariffs and tolls and to enforce them, nevertheless in many cases that power has not been exercised, and there is no effective legislation in force on the point.

As long as that situation continues I presume there will be no room for the application of clause 4. But let us assume now that the situation changes and the provinces, or a sufficient number of them for the purpose of the discussion, do decide to require the publication of tariffs and tolls and adherence to them. Let us take the case of the trucker who starts off from, we shall say, Alberta, and passes through Saskatchewan and Manitoba and then swings down into the United States, enters Ontario, goes through Ontario and Quebec, crosses over into United States territory, goes through New Brunswick and ends up in Nova Scotia. Now, I presume that in those cases—we are dealing with through freight—any carrier is going to be quoting a toll on the through shipment from Alberta to Nova Scotia. Will the minister indicate how a clause like this is going to work out in a case of that kind where you have a toll established on a through movement that may go through, let us say, eight provinces and cross the international border four times. How are we going to deal with that? Are we going to have every one of the provincial boards in every one of those eight provinces passing on a through toll that has nothing to do with local shipments? This is a matter of toll on a through shipment from Alberta to Nova Scotia which is quoted as a single toll by the carrier to the shipper.

**Mr. Chevrier:** I do not anticipate any great difficulty there because the truckers are operating now from one end of the country

to the other and they are operating by virtue of what are known as reciprocal agreements.

**Mr. Fleming:** The minister has not followed my point. That may be all very well now when the provinces are not applying it because either in some cases they have not the legislation or in other cases they have not proclaimed the legislation that gives them the right to require the publication of and the adherence to the tariffs. But the case I am pointing out to the minister is where the provinces have exercised that power and the publication of tolls is required and the adherence thereto is enforced.

**Mr. Chevrier:** Well, the publication of the toll is required in certain provinces. It is required in the province of Ontario, and is adhered to. My understanding is that it is. If I am wrong—

**Mr. Fleming:** There is authority in the act, but the power given under the act has not been used.

**Mr. Chevrier:** Well, I have been under the impression that it was. Certainly that was the impression that we got at the conference.

**Mr. Fleming:** It has been in the act for some years.

**Mr. Chevrier:** Again I repeat, I do not anticipate any difficulty there. It is being done now. Truckers are today quoting rates from one end of Canada to the other for movement of goods and all this does is to enable the provincial board to fix the rate. So far as the publication of the tariff and the toll is concerned, will that not be a matter for the provinces? And if the position is as I said earlier, that there are a number of interprovincial agreements or reciprocal agreements as to tariffs and as to tolls, then I cannot anticipate any difficulty. The provinces certainly did not anticipate any difficulty when they discussed it here at the conference.

**Mr. Fleming:** I may not have made my point as clear to the minister as I should have. It may be natural for him to wish to simplify a situation of this kind, but I am putting to him a case which is rather different from the situation that exists today. I am wondering how a series of provincial boards, in the case I am putting, the provincial boards of eight provinces, are going to deal with the question of passing on a through toll on a through shipment from Alberta to Nova Scotia, going through eight provinces and crossing the international boundary four times. You are going to have eight provincial boards required to pass upon one toll on a through shipment that has to move from Alberta to Nova Scotia. It seems to me an extraordinary requirement. You are going to have a toll of that kind approved by eight provincial boards when the toll is a through one and it cannot be broken down to divide it into a portion of movement that is performed in a particular province.

Clause agreed to.

On clause 5—*Exemption.*

**Mr. Drew:** I had assumed that we would hear some explanation of the real purpose of clause 5. Nothing more has been said that would explain what amounts to a complete withdrawal of this power at any time the government should choose to exercise that authority.

**Mr. Chevrier:** Mr. Chairman, I should perhaps have dealt with that when I spoke earlier. The Leader of the Opposition seemed to be of the opinion that this was taking terrific powers and, in fact, the expression he used was that we were taking "extremely wide powers" under clause 5 of this bill. I will explain as best I can why these powers are necessary.

They are necessary in order to protect the position of certain provinces. They are necessary, for instance, if the province of New Brunswick sought at one time or another to prohibit the through traffic of interprovincial transportation into Nova Scotia say, from the province of Quebec or Ontario. The province of Nova Scotia insisted that a clause such as this would be necessary in order to protect them. The province of Ontario at first took the view that that was not so. But after the Minister of Justice had explained the meaning of the clause the province of Ontario then felt not only that such a clause was necessary, but that without it the act would not be operative.

Then we are, as my hon. friend knows, committed by international undertaking to the movement of trucking across certain highways such goods as were agreed under GATT. I have not before me the agreement which was reached, but under GATT there is a very definite agreement with reference to the transportation of goods along Canadian highways, and it was thought necessary to bring that to the attention of the conference. When it was brought to the attention of the conference it was agreed that such a clause should be inserted therein, with the exception to which I referred earlier.

Then there is the question of defence movements. It was assumed that at some time or other it would be necessary to move defence trucks across the provinces into the Northwest Territories and so forth, and it was felt necessary that this clause should be inserted.

After an explanation had been given by the federal authorities the provinces felt that this clause was a reasonable one to insert in the bill.

**Mr. Drew:** Mr. Chairman, it is still not at all clear how this would be exercised. The power given here is the power to exempt any person or the whole or any part of any extra-provincial undertaking, or any extra-provincial transport, from all or any of the provisions of this act.

The effect of that, no matter what the intention may be, is to make it possible for government by order in council to exclude from all the provincial regulations any highway transport throughout the whole of Canada. The fact that the government may not intend that, in no way limits that possibility. I am simply pointing out that powers are given and the government retains the power to take the whole of it away.

Now, when the Minister of Transport says that conceivably the province of New Brunswick might introduce some licensing regulations that would interfere with the movement across that province, I realize that he is merely using that by way of illustration. But when he uses this illustration he says in so many words that the provinces can have these powers as long as they are good boys, but that at any point when they are not good boys, in the opinion of the government here, the application of these provincial regulations will be withdrawn in that area in relation to any transport that may be designated by the government here.

Surely that is a wide power. Surely it is an undesignated power. And surely it is a power that negatives the rule of authority apparently conferred by this bill. I submit this is not the kind of power that should be contained in a bill of this kind, and I also submit that it is an extraordinary clause.

The very illustration given by the minister of the example of New Brunswick indicates just how unsatisfactory a situation could result from legislation of this kind. Now, I would ask the minister to go a little further so we can understand the position, and, again using New Brunswick as an illustration, give us an exact illustration of the kind of specific situation where he thinks the government might be called upon to act, and the kind of order in council he has in mind which might be passed under this particular clause.

**Mr. Chevrier:** I would answer the last part of my hon. friend's comment by saying that I hope it will not be necessary for the federal government to use the powers conferred under clause 5, and I hope it will not be necessary to pass any orders in council under clause 5. I do not think it is a question of the provinces being good boys. I think it is a question of protecting a certain position that they have taken. Take, for instance, the question of GATT, to which my hon. friend did not refer at all. We are committed by international agreement to allowing the transportation of certain goods extra-provincially under certain circumstances. If we were to give that power away and dispense with clause 5 where would we be? We would certainly be in an untenable position with reference to that international agreement. We would be in the same kind of position with reference to our defence forces. We have simply put this in with the object of using it if the occasion arises, but I think the provinces realize that we have no intention of making any unnecessary or undue use of this clause, and in any event it would cover extra-provincial traffic and would in no way affect the internal movement within the provinces.

**Mr. Drew:** Now, Mr. Chairman, I do not wish to labour this because I feel that, having regard to the responsibilities the government is assuming for introducing some legislation to fill a vacuum which has been created, and no matter how unsatisfactory it may be, it is just as well to deal with the legislation before us. I asked the minister to give us a specific illustration in relation to the province he mentioned, New Brunswick, and the answer he gave was that the government did not expect to use this power. That would be like the Minister of Justice saying, when asked under what circumstances capital punishment should be applied, that he could best answer that question by saying that the government hoped it would not be necessary to apply it. I do not think the Minister of Justice would do that, although he does give some rather circuitous answers on occasion.

The minister said that New Brunswick is an example of a situation where the government might have to act; but let us have a simple explanation of the kind of situation he means and what kind of order in council the government might have to pass.

**Mr. Chevrier:** Well, Mr. Chairman, I have no intention of answering the last part of my hon. friend's question. I have already given him three reasons—

**Mr. Drew:** Yes, GATT. the movement of transports to the Pacific, and extra-provincial traffic; but none of these have anything to do with the simple question of getting things across New Brunswick from Nova Scotia.

**Mr. Chevrier:** I dealt with that originally. That was the first example I used, namely

the example of New Brunswick; but apparently I did not make myself clear because my hon. friend comes back and asks me to deal with it again. The province of Nova Scotia took the position that if New Brunswick wished to prohibit traffic moving from Ontario or Quebec into the maritime provinces it could do so. The province of Nova Scotia felt that that would not be a fair position for it to be placed in, and it said, "All right, we will go along with this bill but on condition that someone has the right to protect our position in case another province in between tries to stop the movement of such traffic." Clause 5 was devised as being that kind of method whereby that province or even the province of New Brunswick might be protected against another province. I used that only as an example. The brief which was filed by the province of Nova Scotia at the time indicated that that was its main interest. Recently, not later than after the bill was introduced into the house, I received a communication from the attorney general of the province of Nova Scotia approving of this clause as now placed in the bill. Those are the three reasons I can think of and I have expanded on reason No. 1. I do not know that I can go any further.

**Mr. Drew:** Then may I ask the minister if this would be a correct interpretation of what he has just said. If the province of New Brunswick introduced regulations which, in the opinion of the government of Canada, had the effect of restricting the movement of highway transport from Nova Scotia across New Brunswick, the government would then, under section 5, pass an order in council exempting from the application of the provincial regulations in New Brunswick highway transport moving from Nova Scotia through the province of New Brunswick?

**Mr. Chevrier:** No, Mr. Chairman; I said no such thing.

**Mr. Drew:** Unless the minister means exactly that, his statement means nothing. We have no information of any kind as to what the real purpose of this section is.

**The Deputy Chairman:** Shall clause 5 carry?

**Mr. Fleming:** Mr. Chairman, there is another aspect of this matter—

**Mr. MacInnis:** Ten o'clock.

**The Deputy Chairman:** The hon. member for Eglinton wishes to make some remarks?

**Mr. Fleming:** I think we are quite prepared to carry on.

[Mr. Chevrier.]

**Some hon. Members:** Go ahead.

**An hon. Member:** Speak for yourself.

**Some hon. Members:** Ten o'clock.

**Mr. Fleming:** The minister was asked to indicate the kind of order in council which would be passed under this section if occasion arose. May I point out to him that the effect of the section is to permit the governor in council to exempt any person from any provincial provision in that case. That leaves that person in this area of vacuum in the law. There is in this legislation nothing that permits the order in council to name the conditions under which he may operate. If he is exempted from the provisions of this act, he is operating in a vacuum and there are no rules, federal or provincial, that restrict his operations in any respect whatsoever. It seems to me that that is an extraordinary situation. Is there no provision to which resort is to be had under the bill if exemption is given by order in council under this section with respect to all types of provincial regulation and control? It seems to be an extraordinary omission in a bill of this kind.

**The Deputy Chairman:** Shall clause 5 carry?

**Mr. Knowles:** Does this clause not underline the fact that in reality the federal government is not giving these powers to the provinces but rather that the federal government is, of necessity, retaining powers which the courts have ruled are federal in character but is appointing these provincial boards as its agents to administer this authority in the various provinces? Having done that, by clause 5 of the bill the federal government is retaining this overriding authority in case any of these boards which are acting as its agents step out of line. Is that not the case?

**The Deputy Chairman:** Shall clause 5 carry?

**Mr. Drew:** No, Mr. Chairman. It is perfectly obvious that we are not going to get a satisfactory explanation. As has been pointed out before, the government has permitted a vacuum to exist. That vacuum must be filled. The government now accept full responsibility for this measure. I would point out that section 5 simply permits the government to create a situation in which highway transport can run wild, and it will not even indicate to us how it proposes to deal with this matter, by what method or through what agency. There is nothing more that can be done but to let the government fulfil the undertaking that it has given to try to make this legislation work.

**Mr. Chevrier:** That is not the case, Mr. Chairman. I have now before me the brief presented at the conference by the province of Nova Scotia. It reads in part as follows:

> There should be assurance that no one province can so affect extra-provincial highway transportation as to deprive any other province of extra-provincial highway transportation service and rights.
>
> With respect to this second proposition, the situation under the privy council decision in the Winner case, we believe to be that the federal government has jurisdiction with respect to and responsibility for legislation relating to extra-provincial highway transportation. Some measure of retention of this jurisdiction and this responsibility by the federal government is in our view necessary.

That is why we put that in. I repeat what I said earlier, namely that the province of Ontario objected to this clause 5. But after the Minister of Justice and the attorney general for Nova Scotia had explained their position, the attorney general for Ontario said that of course the federal government should have this clause. Both he—that is the attorney general—and the minister of public highways for the province of Ontario subscribed fully to this clause in the bill.

**Mr. Fleming:** I realize that it permits the governor in council to exempt from the provisions of the act so as to place in that area which we have called a vacuum today persons engaged in interprovincial and international highway operations.

**Mr. Drew:** This section might have been described as the section to perpetuate the vacuum so far as and whenever this government desires.

**The Deputy Chairman:** Shall clause 5 carry?

Clause agreed to.

On clause 6—*Penalties.*

**Mr. Fleming:** I have a question to ask on clause 6, Mr. Chairman. Who will be responsible for the enforcement of the provisions of the act and of licences issued under it?

**An hon. Member:** It is ten minutes after ten.

**Mr. Garson:** Seeing that the authority of the provincial boards will be exercised under this act and will also be exercised under the authority of the provincial statutes with regard to intra-provincial operations, I think it necessarily follows that they would see to any prosecutions that would be necessary.

**Mr. Fleming:** It is more than a question of prosecutions; it is a question of enforcement in a broad sense. From the answer given by the Minister of Justice, are we to take it that once this legislation is passed the federal government assumes no responsibility whatever for the enforcement of its provisions and of licences that might be issued in pursuance of its terms?

**Mr. Garson:** I think perhaps, if my hon. friend would permit me to do so, it might be better to put it this way. There are in existence—and there have been for some years past—provincial boards which have been up to the present time and are now exercising jurisdiction over both intra-provincial and interprovincial motor transport. The federal authority, following the Winner case, has no such administrative body. The purpose of this bill is to leave both intra-provincial motor transport and interprovincial motor transport to be licensed, authorized, controlled and administered by the provincial boards. The only exception to that procedure, of course, is section 5 which, as the minister himself says, we hope we shall never have to invoke.

**Some hon. Members:** Carried.

**Mr. Fleming:** Mr. Chairman, the minister has used a great many words—

**An hon. Member:** Ten o'clock.

**Mr. Fleming:** —which have no relation whatever to the question I put to him. I think there is a fundamental misconception here.

The provincial boards are not enforcement bodies. They are semi-judicial bodies which hear applications and determine when certificates of public convenience and necessity should issue. Then the possessor of such a certificate makes application to the department of highways and, if other requirements are satisfied, he obtains his licence. When it comes to the matter of enforcement, those provincial transport boards do not accept responsibility, that is to say with regard to whether there is compliance on the highway with the terms of the licence. Very often these licences are issued with limitations and conditions attached to them. If the Minister of Transport is correct in his interpretation of section 3, then presumably some of these licences issued with respect to international and interprovincial highway transports will contain similar conditions. Who is going to see to it that these conditions are fulfilled? Who is going to be responsible for them? Is the federal authority going to accept any responsibility for enforcement in situations of that kind?

**Mr. Garson:** I think my hon. friend knows perfectly well that under the existing arrangements in all of the provinces the existing administrative authority looks after the licensing. The checking on the road is done by the provincial police forces, where they have provincial police forces. In those

provinces that have a police agreement with the federal government under which the Royal Canadian Mounted Police discharge provincial police functions, the mounted police enforce the regulations in the same way as the provincial police, and the attorneys general of the provinces carry on any prosecutions that may be necessary. That arrangement will simply continue. Certainly there would not be much sense in continuing all the existing provincial enforcement bodies which have to be paid for by the taxpayers and have the federal government set up in addition an elaborate duplicate enforcement authority for which the taxpayers would also have to pay. I think my hon. friend's question answers itself.

**Mr. Fleming:** If the question admits of a simple answer, I would be obliged if the minister would say so, that the federal government is not going to assume any responsibility in connection with enforcement but is proposing to leave that to the provincial authorities. If that is the case it would be the simplest thing in the world for the minister to say so.

**Mr. Garson:** I said that just a few moments ago. I said that would be the case unless it were necessary to invoke section 5 in which event we might be involved in a somewhat limited way.

**Mr. Fleming:** But not otherwise? The minister nods his head.

Clause agreed to.

On clause 7—*Proclamation in a province.*

**Mr. Fulton:** Is the minister in a position to say with respect to which provinces at the present time it is intended to proclaim this act?

**Mr. Chevrier:** It is not intended to proclaim this act unless the provinces indicate they want it passed, and as far as I know all of the provinces want this legislation with the exception of two.

**Mr. Fulton:** It will not be proclaimed unless the province itself actually invites proclamation? Is that the situation?

**Mr. Chevrier:** From the correspondence I have in my hands now I think it would be possible to proclaim it in eight of the ten provinces.

**Mr. Fulton:** But it will not actually be proclaimed until a definite request is made from the provinces? Is that the situation?

**Mr. Chevrier:** I think it can be taken that the request has already been made, not only at the conference but since, and I would take it that request is sufficient. However, if it is thought that another request should be made that could be made.

**Mr. Fulton:** I am simply seeking to establish the basis on which it is to be done. Perhaps I can take it from the minister's answer that the federal government will be in a position to proclaim it with respect to all the provinces except two unless the minister receives a further communication from any one or more that they do not want it.

**Mr. Chevrier:** That would certainly be my recommendation to the government.

**Mr. Knowles:** Before the last clause of the bill is carried I should like to say a brief word. In its excellent chapter entitled "National Transportation Policy" the Turgeon commission said a good many important things back in 1951, but they are summed up in this one sentence:

> It is of course permitted to hope that the provinces will some day agree to co-operate with the federal authority in the carrying out of a common policy of co-ordination.

I express the hope, Mr. Chairman, in line with the view I expressed earlier that this bill be regarded as on a trial and error basis, that this legislation will not stand in the way of the eventual realization of that hope.

**Mr. Winch:** Mr. Chairman, I would draw to your attention that it is now ten o'clock and I ask you to call it ten o'clock.

**The Deputy Chairman:** Shall clause 7 carry?

**Mr. Winch:** Ten o'clock.

Clause agreed to.

**The Deputy Chairman:** Shall the title carry?

**Mr. Winch:** I ask you to call it ten o'clock.

**The Deputy Chairman:** Is it the pleasure of the committee to complete the bill before us?

**Some hon. Members:** Agreed.

Title agreed to.

Bill reported.

**Mr. Speaker:** By leave, shall this bill be read the third time now?

**Mr. Knowles:** Next sitting.

**Mr. Winch:** Next sitting.

**Mr. Speaker:** Next sitting.

## BUSINESS OF THE HOUSE

**Mr. Harris:** Tomorrow we shall take the third reading of the bill we have just finished discussing.

**Mr. Knowles:** We might get some light on it in the meantime.

**Mr. Harris:** Then the bill to repeal the National Physical Fitness Act, then consideration of the amendments made to the Criminal Code by the Senate, then the bill to which first reading was given this morning, namely, an act to amend the Criminal Code (race meetings). Then we will move to go into supply and take the departments of trade and commerce, transport, secretary of state and veterans affairs.

**Mr. Drew:** Mr. Speaker, could I ask now when we may expect to have some information about the Municipal Grants Act and the Judges Act?

**Mr. Knowles:** And the War Veterans Allowance Act?

**Mr. St. Laurent:** I understand that notice of a resolution for the introduction of the amendment to the Judges Act will be in *Votes and Proceedings* of today and will be called as soon as it gets on the order paper. I was discussing the Municipal Grants Act with the Minister of Finance this afternoon and he will be making a statement on it at a very early time.

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

# HOUSE OF COMMONS

**Tuesday, June 15, 1954**

The house met at eleven o'clock.

## EXTERNAL AFFAIRS

SUGGESTED VISIT TO OTTAWA BY SIR WINSTON CHURCHILL AND MR. EDEN

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I wish to direct a question to the Prime Minister. May I ask whether, in view of the announcement which has just been made that Sir Winston Churchill and Mr. Eden are going to fly to Washington on June 25, the Prime Minister will consider inviting them to come to Ottawa for a discussion of Asian problems, and also for a possible conference of commonwealth ministers to consider problems affecting nations of the commonwealth in common at this time.

**Right Hon. L. S. St. Laurent (Prime Minister):** The matter will receive consideration, Mr. Speaker.

## MOTOR VEHICLE TRANSPORT

PROVISION FOR REGULATIONS OF INTERPROVINCIAL AND INTERNATIONAL HIGHWAY TRANSPORT

**Hon. Stuart S. Garson (for the Minister of Transport)** moved the third reading of Bill No. 474, respecting extra-provincial motor vehicle transport.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

**Some hon. Members:** Agreed.

**Mr. Fleming:** On division.

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

## NATIONAL PHYSICAL FITNESS ACT

REPEAL OF EXISTING LEGISLATION

**Hon. Paul Martin (Minister of National Health and Welfare)** moved the second reading of Bill No. 475, to repeal the National Physical Fitness Act.

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

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

**Some hon. Members: Now.**

**Mr. Knowles:** By leave.

**Mr. Martin** moved the third reading of the bill.

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

## CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE —CONCURRENCE IN SENATE AMENDMENTS

**Hon. Stuart S. Garson (Minister of Justice)** moved the second reading of and concurrence in amendments made by the Senate to Bill No. 7, respecting the criminal law.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I wish to say just a few words—

**Some hon. Members:** Hear, hear.

**Mr. Knowles:** Maybe I will change my mind about that. I wish to say just a few words in support of the motion that we concur in the amendments to the Criminal Code which have been made by Their Honours in the other place.

According to *Votes and Proceedings* for Thursday, June 10, as recorded at pages 732 to 734 Their Honours have proposed a total of 10 amendments. Some of them are purely a matter of renumbering in consequence of other changes made. But I wish to say that, so far as we can ascertain, and so far as they go, all of the changes proposed by the Senate are acceptable to us. Indeed, there are two of the changes we are very pleased Their Honours saw fit to make. And I am glad to note the smile on the face of the Minister of Justice (Mr. Garson). I take it that smile means he is pleased that the Senate made those changes—

**Mr. Fleming:** It does not mean a thing.

**Mr. Knowles:**—despite the fact that he opposed us when we tried to achieve the same results when the bill was in the House of Commons.

I would refer first to the change with respect to applications for writs of habeas corpus. As the Minister of Justice is aware, this is a matter that was discussed at considerable length in our own committee on which the hon. member for Vancouver-Kingsway (Mr. MacInnis) and the hon. member for York South (Mr. Noseworthy)

were our representatives a year ago. It was their contention, as it was the contention of members from other parties on the committee, that the rule respecting habeas corpus should remain the way it was. The minister succeeded in persuading the majority to go along with the change he proposed, and that change was included in Bill No. 7 when it went from this house to the other place.

By virtue of the ninth of the proposed amendments now before us, the Senate has now put the law respecting habeas corpus back in the position in which it was prior to the introduction of this bill. We think that is a good idea, and we are glad the Senate has made that change. I might also say that the proposal that the question of habeas corpus be reconsidered was the subject of a subamendment moved by the hon. member for Kamloops (Mr. Fulton) when we reached third reading of the bill in this house. Therefore I am sure he as well as others will likewise be pleased that this change has been made.

Another change included in these amendments has to do with the reading of the riot act. The third of the ten amendments proposed by the Senate calls for the insertion of certain words after line 42 on page 24 of Bill No. 7. The proposal is that the words "if he is satisfied that a riot is in progress" shall be inserted in clause 68. The effect of that change would make clause 68 read as follows:

> A justice, mayor or sheriff or the lawful deputy of a mayor or sheriff who receives notice that, at any place within his jurisdiction, twelve or more persons are unlawfully and riotously assembled together, shall go to that place and, after approaching as near as safely he may do, if he is satisfied that a riot is in progress, shall command silence and thereupon make or cause to be made in a loud voice a proclamation in the following words or to the like effect.

Then follows the formula that has to be read out on such an occasion. As I say, we are glad that that addition is being made, namely, the inserting of the words "if he is satisfied that a riot is in progress".

As we indicated when we were in committee on the bill—I recall particularly the remarks made by the hon. member for Cape Breton South (Mr. Gillis)—we are still not satisfied with the law respecting the riot act in all of its details. We are concerned in particular as to the various persons down the line who can read the riot act; but at any rate this is a slight improvement, and we welcome it as such.

Most of the other changes proposed by the Senate amendments are technical in character, and we see no objection to any of them. Indeed, there are several others that we welcome.

[Mr. Knowles.]

There is another word I wish to say, Mr. Speaker. It is this: I am sorry that Their Honours did not pay the same attention to the amendment we moved to third reading in this house as they appear to have paid to the subamendment that was moved at that time. As I indicated a moment ago, there was a subamendment asking for reconsideration of the clauses having to do with habeas corpus. Their Honours have paid attention to that request. But there was also our amendment in this house asking that reconsideration be given to clauses 365 and 372, having to do with criminal breach of contract and with mischief. I regret that Their Honours did not see fit, as a result of their consideration, to recommend changes in those two clauses along the lines that we advocated when the bill was in the house, in order that the rights of labour might be fully protected.

I recognize, Mr. Speaker, and I am reminded of it by the look in your eye, that we cannot at this stage discuss matters beyond the scope of the amendments proposed by Their Honours, and the look in your eye is getting to the point where I realize I must not transgress any further. I merely express my regret that these sections have not been altered as we suggested, but we are pleased to welcome such improvements as Their Honours have made in this bill.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I wish to refer to the one amendment, or the one change, that has been made in the contempt of court proceedings. I do so because there is still an opportunity for the Minister of Justice (Mr. Garson) to deal in committee with a problem that is not solved merely by providing the right of appeal. This subject has been discussed earlier. The right of appeal in itself provides some measure of protection in a field where protection did not exist in the earlier provisions of the code; but I submit that there is still reason to give consideration to the introduction of something that would offer a guide to the courts in determining what shall be contempt in the face of the court or from outside the court, and also some gauge as to what the penalty should be.

Perhaps it is only when we come to discuss a subject of this kind that we find to our surprise that there are still mediaeval survivals of law that we have inherited. The British system of law that was adopted in this country from the long-established practice, and incorporated in the Criminal Code for the whole of Canada, has carried forward not only the provisions of the code itself, but certain other long-established practices. It

is necessary to go back a very long way to find the root of this extremely important question of contempt of court. One might say that before 1066 it was the law of the jungle in many respects. After that date, kings began to appoint lawyers to represent and to adjudicate the issues arising between individuals among the people and also between the crown and the people. Later it was found that grievances against the crown itself needed to be dealt with. This led to the appointment of a lawyer to consider these grievances, and that was the genesis of the chancellery division of the court in the United Kingdom which has given so much to our law. However, those judges in the early days, answerable only to the king and in no sense to parliament, were of necessity compelled to protect the authority of the courts. Since they acted in large measure simply upon their appointment by the crown and not under laws passed by parliament, it was natural that they themselves should be given authority to enforce respect for the courts over which they presided.

In those days it became necessary to devise very stern measures against those who in any way indicated a lack of respect for the authority of the courts. We have inherited that common law practice. Bit by bit some attempt has been made to define different types of contempt of court. As was pointed out on earlier occasions, there have been amendments to the Criminal Code dealing with specific forms of contempt. There is, however, that broad question of contempt of court by the press, by writers, either in the court or outside the court, which is yet undefined by statute and in respect of which we are still carrying on with the inherited common law practices which were adopted in this country and which leave to the judge the responsibility for deciding what the law is, the responsibility for deciding what the penalty will be, as well as deciding whether the person charged is guilty of the offence and subject to punishment for that offence. The right of appeal from such a decision, which will now be accorded if the proposed amendment is adopted in regard to appeal from punishment for contempt of court, will undoubtedly be a substantial improvement. It will undoubtedly offer some opportunity for a second consideration of the circumstances under which the statements were made, and the appropriate penalty which should be imposed.

Nevertheless, I would point out that this is still not consistent with our fundamental principles inherent in the rule of law that every person shall know what the law is, and that before they can be haled into court and punished there must be some provision which defines the offence and measures the punishment that should be meted out in the event that the person is found guilty.

We still will have no such definition of the law. We still will have no such measure of the penalty. What happens in the case of an appeal is simply that we multiply the number of judges whose discretion will be exercised in determining what the law is and what the penalty should be.

In saying this I am not, nor is any other member of this house, in any way reflecting upon the judgment exercised by the judges of this country, nor is any hon. member of this house questioning the necessity for some procedure by which respect for the authority of our courts can be maintained.

It is obvious that when criminal proceedings are taking place there should be some procedure by which the judge responsible for the fair trial of the individual or individuals being tried for any offence shall be able to assure the fair, impartial, and unprejudiced trial of the individual or individuals affected. I am sure there is not a single hon. member of this house who would not feel it is essential that some such authority exist.

Having said that, can we be satisfied in the face of the evidence before us that we are observing the fundamental principles of the rule of law when we still leave undefined what contempt of court may be in the case either of the press or of individuals in commenting upon some case before the court?

May I emphasize, Mr. Speaker, that it is not only the press, but it may be an individual as well, whose comments might be challenged. I spoke of the press particularly when this subject was before us on an earlier occasion, because there have been a number of cases where contempt of court by the press has been a subject of widespread discussion throughout the country; and particularly, having regard to the fact that the offence is undefined, we are called upon to discuss this subject from a new point of view because of a warning issued by the chief justice of Newfoundland to the effect that there should be no discussion and no publication of the pleadings in civil proceedings.

I pointed out on that occasion that this is a new concept of contempt of court in this country. Ordinarily it is in fact part of the assurance of justice itself that civil proceedings may be published and that the discussion of the civil trial and of everything related to that trial may be carried in the press. This has been regarded as part of

the open, public, and free trial which assures Canadians that kind of open-handed justice of which we have been so proud.

In the case of the press, which serves to protect the freedom of the individual by reporting trials of this kind, there is a very real necessity for some understanding as to what will or will not constitute contempt of court.

May I say most emphatically that I am not questioning for one moment that in the case of some of those statements published in recent years, which have led to contempt of court proceedings, which were widely discussed throughout Canada, there was some need for restraint on discussions such as then took place.

However, the recent warning issued by the chief justice of Newfoundland—with particular reference to one of the newspapers there and in fact, I believe, to both newspapers in the city of St. John's—leaves the newspapers as well as individuals uncertain as to what may or may not be discussed in regard to civil proceedings, as well as criminal proceedings, which are now before the courts in that province at this time. I am in no way referring to the merits of the issues before the courts. I am referring only to the effect of such a general warning in regard to what should be regarded as the law relating to contempt of court.

If in any one province, under our criminal law and under our inherited law, it is possible to prevent discussion of civil proceedings, then that might very well be followed in other provinces, and the long established practice of fair comment about trials in our courts might be limited to an extent where the security of the individual might conceivably be substantially lessened through the blanket of silence that could now be thrown around trials that have taken place in the past so openly in this country.

We do not want to have the right of any individual before the courts impaired in any way. We do not want the trial of any individual prejudiced. Most certainly in the case of a person charged with some serious criminal offence it is of the most vital importance that nothing shall be said by the press or by anyone else that could conceivably prejudice the jury or lessen the possibilities of a completely fair trial.

Having said that, it is equally part of our long-established judicial proceedings in this country that there shall be an open trial which shall be known to the public so that if in any individual case injustice may be done in the opinion of the public, then reform may be proposed to parliament itself, which is the final authority in this case. It is the parliament of Canada which must decide, and I am still earnestly suggesting that at this time the Minister of Justice consider the advisability of defining in some way what contempt of court will be, and place some guide before the judges as to the nature of the penalty that may be imposed.

I repeat that in providing an appeal we shall have provided the opportunity for a second consideration. The appellate court in each province will be able to decide whether, in the collective judgment of the judges of that court, the penalty which was declared and the penalty imposed were fair and just under the circumstances. But now that this subject is before us, in these days when the difference between the rule of law and the rule of complete state authority is perhaps the thing that defines two systems of life as much as anything else, I believe that we should take this occasion to establish the rule of law not only for the advantage of individuals in this country but for the advantage of the judges themselves who are called upon to maintain the dignity and responsibility of the courts.

**Mr. E. D. Fulton (Kamloops):** Mr. Speaker, I would have thought that before we were asked to adopt these amendments we might perhaps have from the Minister of Justice a word as to whether the government itself concurs in every amendment proposed by the Senate to this bill.

**Mr. Garson:** In view of the point which my hon. friend has raised, Mr. Speaker, I may say that the government concurs in every amendment proposed by the Senate.

**Mr. Fulton:** I thank the minister for that information. Of course we are in a position where it is desirable to bring this matter to some final conclusion. The bill has now been in the process of consideration for going on, I suppose, six years altogether. We are now, one would hope, getting towards the end of this session and it would seem perhaps rather pointless to get into a conflict with the Senate over the details of amendments which, as has been suggested, are not in themselves extensive. To make any amendments to these proposed amendments would, of course, involve the possibility of long conferences and might just delay the passage of the bill at this session. I do not think that would be a desirable result. It is therefore not our intention to move any amendments at this stage, although I must say that I would otherwise have been somewhat tempted to do so.

The amendments that, in my opinion, the Senate should be asked to reconsider are

their first and second proposed amendments. But that is something that can be done at a later date, in another year, by a positive motion to amend the Criminal Code. Such a motion would not create the difficulties which otherwise might be created if one were to move these amendments now. I will therefore just indicate the thoughts we have on the matter so that they may perhaps be taken under consideration by the government.

In dealing with the first amendment which covers the subject of contempt of court so admirably summarized by the Leader of the Opposition (Mr. Drew) a moment ago, may I say that I realize that the Senate has to some extent gone further than this house went when it adopted Bill No. 7. Since this problem of contempt of court is becoming a rather vexed one, and since some judges, I think it is fair to say, have of late shown a high degree of sensitivity as to what constitutes a contempt of court, I would think that we should provide an appeal not only against the punishment but against the conviction, even in the case of a conviction for contempt in the face of the court. The Senate has made this change. As Bill No. 7 went to them, it was necessary to obtain the leave of a judge of the court of appeal to appeal in any event. They have removed that necessity. As we had left it, if that leave to appeal were granted, the convicted person could appeal either the conviction or the sentence, even in the case of contempt in the face of the court. I think it would be desirable—and I think consideration should be given to it for another year—to provide an appeal from the conviction even for contempt in the face of the court. I am prepared to admit that there would not be many cases where such an appeal would be taken or where it would succeed. I suppose, generally speaking, we all know what constitutes a contempt in the face of the court. But in view of what I have called, and after some reflection consider to be, a tendency towards undue sensitivity on the part of some judges with respect to what is actually contempt of court and what is not, I make that observation or suggestion.

Then with respect to the second amendment made by Their Honours, as found at page 733 of our *Votes and Proceedings* for June 10, I must say—and I say this with due respect, and particularly with respect for the highly qualified lawyers who sat on this matter over there—that their proposed subsection 4 of clause 25 strikes me as being unnecessary and redundant. I am going to read to the committee the wording of their proposed subsection 4 which is as follows:

> A peace officer who is proceeding lawfully to arrest, with or without warrant, any person for an offence for which that person may be arrested without warrant, and every one lawfully assisting the peace officer, is justified, if the person to be arrested takes flight to avoid arrest, in using as much force as is necessary to prevent the escape by flight, unless the escape can be prevented by reasonable means in a less violent manner.

I would ask anyone who is interested in the matter what this means. I would be glad of any assistance in establishing just what is meant by those last three lines:

> . . . is justified . . . in using as much force as is necessary to prevent the escape by flight, unless the escape can be prevented by reasonable means in a less violent manner.

That provision seems to me to be a contradiction. In the first place, you state he is justified in using as much force as is necessary to prevent the flight. Therefore he is only justified in using force if it is necessary.

**Mr. Garson:** I wonder whether my hon. friend would permit me to interject something very briefly?

**Mr. Fulton:** Yes.

**Mr. Garson:** May I say that this clause which he is criticizing has been part of the Canadian criminal law for a great many years; I believe it has been so ever since 1892. It is the section which is provided in the existing code, namely section 41, for the protection of peace officers and persons assisting peace officers in preventing escape. The reason this section was, as a Senate amendment, introduced in the Senate is that the royal commission, the Department of Justice, the Senate and the House of Commons all had previously overlooked it. There is not any question at all as to the need for it. I am rather surprised that my hon. friend is criticizing it in any respect.

**Mr. Fulton:** The minister may be surprised but that does not lessen the validity of the criticism. Section 25 is a consolidation of sections 23 to 27, 29, 30 to 37, 39 and 41 to 45.

**Mr. Garson:** This provision was left out by an oversight.

**Mr. Fulton:** An attempt to consolidate that many sections must obviously involve change in the wording.

**Mr. Garson:** No; there is not any change in this wording. If my hon. friend will examine the existing code, I think he will see that this amendment is a verbatim copy of present Criminal Code section 41.

**Mr. Speaker:** Order.

**Mr. Fulton:** You cannot consolidate about 18 sections into one section without changing the wording.

**Mr. Garson:** If my hon. friend will look at this section he is criticizing and compare it carefully with section 41 of the existing code, he will see that the sections are identically the same.

**Mr. Fulton:** That may be so. This proposed subclause may be identical with the wording of one of the former clauses of the Criminal Code. However, the point is that in the consolidation produced and presented to us in section 25, the matter of using force and of the force that may be necessary to effect arrest has been fairly carefully worked out and worded. The three subsections of clause 25 as passed by the house seem to me to cover pretty adequately the circumstances under which the use of force may be necessary. The fact is that we have in clause 25 now an outline of the amount of force that may be used in the concluding words of subsection 1 which reads as follows:

> . . . is, if he acts on reasonable and probable grounds, justified in doing what he is required or authorized to do and in using as much force as is necessary for that purpose.

Then, we have in addition the safeguard of subsection 3 which makes it clear that a person is not justified "in using force that is intended or is likely to cause death or grievous bodily harm unless he believes on reasonable and probable grounds that it is necessary for the purpose of preserving himself or any one under his protection from death or grievous bodily harm". Therefore it would appear that the amount of force which may be used is quite adequately set out in the present three subsections. We now have this one added, and I am not at all dismayed by the fact that it may have existed in exactly the same wording in one of the old sections of the code.

What I am suggesting, in view of the consolidation represented by the first three subsections of the new section, is that this one is not really necessary and that added as it is now it creates confusion because it is already set out that a person is justified in using force if necessary and therefore if it is not necessary to use force he is not justified in using it. Nothing could follow more clearly than that from the words of the present section 25. After all, the infliction of death or grievous bodily harm is already a crime. Therefore, even under section 25 you would only be justified in doing that which inflicted bodily harm if it were necessary to do it. I can see no reason for restating that simple and obvious proposition under the proposed subsection 4 added by the Senate, particularly when there seems to be a contradiction contained in the last three lines where it says in effect that he is justified in using as much force as is necessary—again that limitation—unless the escape can be prevented by reasonable means in a less violent manner.

If he does not have to use force to prevent the escape then he is not justified in using force at all, and that would be the situation without the addition of the last words there, "unless the escape can be prevented by reasonable means in a less violent manner". In view of the consolidation represented by the first three subsections, I think there is an unnecessary and confusing addition involved in this subsection 4. If it is felt necessary to add anything at all, I think it would be more consistent with the wording of the first three subsections if the words used were something to this effect: "is justified only in using as much force as is necessary to prevent the escape by flight" or "is justified in using only so much force as may be necessary to prevent the escape by flight".

That, it seems to me, would reflect the meaning more clearly than what is set out here because, as I say, it seems to me that there is a contradiction. First you say that he is justified in using force if necessary. Then you say he is not justified in using force if it is not necessary. It does not seem to me to be necessary to add the second qualification. Therefore I think it is not the best draftsmanship which could have been devised for the purpose of this consolidation.

These are the only two observations I wish to make with respect to the proposed amendment. As I say, we would have moved an amendment ourselves, particularly with respect to the contempt matter, had it not been for the fact that at this stage of the session it might have involved us in a protracted discussion with the other place and therefore delayed the session, and also because we can give more consideration to the matter and can bring it forward as a substantive motion at another session if it should then still be considered necessary.

**Mr. Angus MacInnis (Vancouver-Kingsway):** Mr. Speaker, it is not my intention to debate this matter. I rise to say that I regret that it has been considered necessary to debate it at all because nothing seems more futile to me at this stage than to debate amendments made by the other place if the government, as I understand is the case, is willing to accept them. As the hon. member for Kamloops (Mr. Fulton) said before he sat down, these questions are far-reaching, and if changes are to

be made I think of necessity they must be made at the next or some future session of parliament when we will have plenty of time to debate them.

I have been closely associated with the study of the Criminal Code. Because of that I studied the amendments made by the other place very carefully and on the whole I think they have resulted in a slight improvement. I must admit that I could not see the reason why some amendments were made but then I am not learned in the mysteries of the law. However, I felt that they did not take away materially from what had been done by the house. There is nothing we can do now unless we wish to have a conference with the other place, and I do not think there is anything of sufficient importance for that. Therefore why should we not let this measure go through?

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

## CRIMINAL CODE

### LIMITATION ON OPERATION OF PARIMUTUEL BETTING

**Right Hon. J. G. Gardiner (Minister of Agriculture)** moved the second reading of Bill No. 476, to amend the Criminal Code (race meetings).

**Mr. Charlton:** Is the minister going to explain the bill?

**Mr. Gardiner:** Mr. Speaker, the amendments made by the Senate to the Criminal Code which we have just discussed contain a reference to this particular matter. However, the Criminal Code does not come into effect until January and it is thought to be advisable that in the interval between now and that time the same provisions of the Criminal Code should apply. This bill has been considered in the Senate and comes here now, and its purpose is to make that possible.

The purpose of the amendment is to ensure that a racing association that has been incorporated in one province shall not be entitled to conduct race meetings with parimutuel betting on racetracks that it acquires in another province. It simply prevents a racing association which has a charter in the province of Manitoba, let us say, from transferring that charter to the province of Ontario or Quebec or some other province and conducting races with parimutuel betting with inspection by our department. The natural way for them to get a charter to conduct racing in the other province is to go to the province itself and obtain the right to conduct racing there rather than to simply transfer a charter from one province to another and conduct races as the result of having done so.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I am not going to deal with the contents of the bill except to point out to the Minister of Justice (Mr. Garson) that the very fact we have this bill before us indicates how easy it would be for him to provide an amendment in a separate measure defining the subject I have already discussed.

**Mr. Speaker:** Order.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Operation of parimutuel system.*

**Mr. Charlton:** I think probably we realize the objects of this measure, but I think some little explanation is needed as to the wording. As the amendment is worded here it says:

> (2a) Subsection (2) does not apply in respect of a race meeting . . .

And that is to be inserted immediately after subsection 2 of section 235 of the Criminal Code, chapter 36 of the Revised Statutes of 1927. It is true that there is a section 2 where this amendment could come in, but later in this amendment there is a reference to subparagraph (i) of paragraph (c). Well, there is no subparagraph (i) of paragraph (c) in chapter 36 of the Revised Statutes of 1927, so I should like the minister to explain that.

**Mr. Gardiner:** It is paragraph 1.

**Mr. Charlton:** But it has a dot over the "i"; subparagraph (i) is under paragraph (d) in the first subsection of section 235. There is a slip-up some place.

**Mr. Gardiner:** Paragraph (c) relates to bets made or records of bets made through the agency of the parimutuel system only as hereinafter provided upon the race course of any association. Then, there is subparagraph one, which is an "i" with a dot over it, and if you are continuing the same kind of numbering you put two "i's" with a dot over them. These are just different ways of marking the subsections of an act. Then, in this case they continue with sections A, B, and then there is subsection two, which has two "i's" and then it goes on with subsection three and four which is in Roman numerals IV. It is the Roman numeral method of marking the section.

Then, at the end of the whole numbering you will notice it is not Roman numerals that

are used but the Arabic and you have 3, 4, 5 and 6. It is then that this particular section will come, at the end of all that that has to do with 2, and we will put (2a).

**Mr. Charlton:** That is not the way it is in the Revised Statutes of 1927.

**Mr. Garson:** There have been amendments.

**Mr. Charlton:** Why is it different, when it refers back to the revised statutes?

**Mr. Gardiner:** We have amended it two or three times.

**Mr. Michener:** Has the minister any particular place in mind? Could he give us an example of what he has in mind?

**Mr. Gardiner:** That has been going on for some time, since some amendments were made before. It has been the practice to move from one race meet to another within a province, and it has also been the practice to move from one race course in a province to one in another province. There was no justification for having this movement. It was thought there would be a tendency probably to go back and get a racing charter that has started away back at the beginning of this century, start to have races under it, and then move it out of that province to another. It was thought it would be more reasonable for anyone who wanted to race in a particular province to go to the authorities in that province and get the right to race, rather than simply transfer the racing charter from one province into another.

**Mr. Michener:** I was wondering whether there was a specific instance to which the minister could refer.

**Mr. Gardiner:** I could give a number of instances.

**Mr. Michener:** No, but one specific instance.

**Mr. Gardiner:** There may be a few that might be left. There may be some in British Columbia or in my province, Saskatchewan. I think probably there are one or two in Saskatchewan and some elsewhere. I believe this section should not provide a way of getting any further racing charters in a province where, perhaps, the races can be run to better advantage than in the province where the charter is now. They should not be able to simply transfer that charter into another province where there is more likelihood they will be able to make more money by having the races there. It is thought they should go to the government of that province and get the right to run the races there.

**Mr. Pearkes:** Would this provision affect any programs that have been already arranged by an association for a meeting this year?

[Mr. Gardiner.]

**Mr. Gardiner:** No, they will have complied with the law as it is. It will not be made retroactive.

**Mr. Pearkes:** It will not be retroactive to any association that has made provisions to hold a meeting in another province this year?

**Mr. Gardiner:** No.

**Mr. Knowles:** I have one or two questions to ask. My first question is as to draftsmanship. Should section one of this bill not have in it the words, "as amended"? Is it the usual practice to say section 235 of the Criminal Code, chapter 36 of the Revised Statutes of Canada, 1927, is amended? Should it not be "as amended," or perhaps "as amended by chapter 25 of the statutes of 1951", is further amended by such and such?

**Mr. Garson:** No, I do not think so. What I might point out here is that this is just the counterpart of a similar provision that is contained in the Senate amendments to Bill No. 7.

**Mr. Knowles:** But that does not answer the point we are raising now.

**Mr. Garson:** No, I know, but this amendment will carry the law through from the date upon which this bill is assented to until the time when Bill No. 7 comes into effect.

On this other point my hon. friend raises, I do not think that is necessary. The important point is that this amendment does amend that section 235 of the present Criminal Code.

**Mr. Knowles:** Perhaps that point could be looked into because it looks to me like sloppy draftsmanship to have a wording that suggests that the statute of 1927 is amended, when actually we are amending the statute of 1927 as it has been amended in the meantime.

**Mr. Garson:** No, the wording does not necessarily suggest that the statute of 1927 is being amended. We are amending actually a section of the statutes of 1927 which has been amended in the interval.

**Mr. Fulton:** The point is that it has been amended, as the hon. member for Brant-Haldimand pointed out. If you go back to the 1927 revised statutes, this subsection one is not subsection one of paragraph (c), it is subsection one of paragraph (d), and therefore obviously the section has been amended since 1927.

**Mr. Garson:** My point is that if effect is given to this particular bill and this proposed (2a) is added to that section, no confusion arises.

**Mr. Knowles:** There is confusion here right now, Mr. Chairman. I suppose we could spend all morning arguing this point. In any

case, I submit that to attempt to add something to section 235 which does not make sense when it is added is not the best kind of draftsmanship.

My other question is this: Clause 752 of Bill 7 reads:

This act shall come into force on a day to be fixed by the governor in council.

Was the Minister of Agriculture making an announcement on behalf of the Minister of Justice a moment ago when he said that Bill No. 7 would be proclaimed on January 1, 1955? If not, when is it intended to proclaim Bill No. 7?

**Mr. Garson:** Yes, I think that is what he was doing; and I have no objection at all to that announcement being made, because it is our intention that Bill 7 when enacted will come into effect on January 1, 1955.

My hon. friend will recall that at various times during the discussion on Bill 7, both in committee and elsewhere, it was pointed out that when there was such a thoroughgoing consolidation and overhaul of the code, which has not been touched for sixty years, there should be an interval of several months between the royal assent and the date on which it came into effect in order to permit provincial law enforcement officers and others to accommodate themselves to the new provisions of the new code. The thought was that the new consolidated code should not come into effect until the beginning of next year.

**Mr. Knowles:** I take it, though, that it is the government's present intention that that will be the date of proclamation?

**Mr. Garson:** Yes.

**Mr. Knowles:** One other question; I realize that this relates to Bill No. 7 but, after all, we are dealing with a measure that ties in with that bill.

**Mr. Pickersgill:** A breach of the rules.

**Mr. Knowles:** My hon. friend the Secretary of State ought to know. Is it the intention to reprint Bill No. 7 incorporating in it the amendments that were agreed to this morning, so that those who are interested might have copies of it even before it appears in the statutes?

**Mr. Garson:** Being a Scotsman, I would not think it was necessary to do that—to reprint the whole bill for that purpose. Any who are interested can get a copy of the Senate amendments, clip them out and paste them on his copy of Bill 7 at the proper points. I do not think we should be expected to run off a copy of the new bill for the convenience of those who are too indolent to do a little clipping. Surely we should not have to do that, at the expense of the taxpayers.

**Mr. Knowles:** Is your Criminal Code not worth it?

**Mr. Garson:** Yes, the Criminal Code is worth it; but the Criminal Code will be printed as a statute.

**Mr. Knowles:** Surely it is not just a scissors and paste document.

**Mr. Garson:** In due course it will be printed. In the brief interval between that time and the present, surely to goodness those who are sufficiently interested could get this sheet of paper of Senate amendments.

**Mr. Knowles:** Is that the right sheet?

**Mr. Garson:** No, this sheet I hold here is the wrong one. But they could get the right one, put it into Bill 7, and that is all that would be required.

**Mr. MacInnis:** It is my understanding that statutes, other than those printed in bound volumes, are printed as they are passed by the house. I shall give the minister my reason for saying that. Some time ago a correspondent asked me to get him a copy of the Canada Shipping Act. I made inquiries from the printing bureau and was surprised to learn that it was out of print. They told me however that there would be a new printing, and only a few days ago I got my copy of the Canada Shipping Act.

I imagine therefore that if the Canada Shipping Act could be printed in a paper-bound volume, there is every reason in the world why the Criminal Code should be printed in a similar volume and made available in that way. The price of the Canada Shipping Act was, I believe, $3.75; and the price of the Criminal Code might be as much as $5. However, it would be made available to those who would want it, without having to get the bound volume.

**Mr. Garson:** It is a very simple matter in connection with consolidations of ordinary statutes to have certain bound volumes and certain paper-covered volumes. But that was not what I understood the hon. member for Winnipeg North Centre to suggest. He was suggesting that Bill 7 be reprinted with the Senate amendments in it.

**Mr. Knowles:** It amounts to the same thing; they use the same type.

**An hon. Member:** No.

**Mr. Fulton:** Mr. Chairman, may I discuss a small point in the matter of the wording of the introductory passage to clause 1 of the bill. It is perfectly clear that section 235

(2) was amended substantially in 1951 by chapter 25 of the statutes of that year. This may be a small point, because in another six months the new code will come into effect. I am asking the minister whether for the sake of clarity, and in case some question of enforcement arises during the next six months, it should not be:

Section 235 of the Criminal Code, chapter 36 of the Revised Statutes of Canada, 1927, as amended by chapter 25 of the statutes of 1951 is further amended by adding thereto—

And so on. I make that point because section 235, as enacted in 1927—

**Mr. Garson:** I accept my hon. friend's amendment. There is no use labouring the discussion of it.

**Mr. Fulton:** Then, I so move.

**Mr. Garson:** The Minister of Agriculture points out to me that there are two or three other amendments which have been made. I think the better course would be to accept the suggestion of the hon. member for Winnipeg North Centre.

**Mr. Fulton:** "As amended"?

**Mr. Garson:** Yes, "as amended".

**Mr. Knowles:** I so move.

**Mr. Michener:** This bill appears somewhat inconsequential, but I suggest hon. members have not had sufficient explanation of the need for it. I would ask that we be advised as to who are affected by the bill. My understanding is that it is to bring into force an amendment to the Criminal Code before January 1, when the whole code comes into effect. There are a great many amendments to the Criminal Code, of great importance, but we are not being asked to bring those amendments into effect before January 1. However, in respect of this one isolated change in the criminal law it would seem that it is considered of sufficient importance that it must be brought into effect soon, with the racing season half over, because some harm will be done if it is not made effective until January 1 of next year. I suggest we should have a proper explanation as to why the bill should be passed at this time.

**The Chairman:** Shall the clause carry?

**Mr. Knowles:** Has the amendment been put and carried?

**The Chairman:** I have not received an amendment.

**Mr. Knowles:** I have been writing it out. I move:

That Bill 476 be amended by deleting the words "is amended" from line 5 and substituting therefor the words "as amended is further amended".

[Mr. Fulton.]

Amendment agreed to.

**The Chairman:** Shall the clause as amended carry?

**Mr. Charlton:** I would ask the minister if there has been a conviction in any province, where parimutuel betting has been carried on without an inspector of the Department of Agriculture being in attendance?

**Mr. Gardiner:** I would not like to say whether there is or there is not. There is a possibility that there has been, and if there have been any of course the prosecutions would be started in the provinces, if the prosecutions were desired.

Some changes have been made by those who intended to conduct it at certain times. In some cases they have been stopped. I do not know whether they have been stopped in every case.

**Mr. Charlton:** I understand that some parimutuel betting is going on without the inspectors being there. This would put a stop to that. I am asking the minister whether there have been any convictions.

**Mr. Gardiner:** Really this particular bill has nothing to do with that. That is where a charter has been transferred from one race track to another within a province. That can still go on under this bill. The only thing that this bill stops is the buying up of a charter in one province and taking that charter over into another province and operating under it without consulting the authorities in that province at all. That is the general position at the present time, and this stops that, and that is the only thing it does.

Clause as amended agreed to.

Title agreed to.

Bill reported, read the third time, by leave, and passed.

## SUPPLY

### WHEAT—MARKETING OF SURPLUS

The house resumed, from Wednesday, June 9, consideration of the motion of Mr. Prudham for committee of supply, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Argue.

**Mr. Speaker:** It might be advisable at this moment to discuss a point of order with respect to the amendment. On June 9, 1954, I raised several questions and deferred the final ruling with the hope that upon resumption of the debate on this amendment some

hon. members may wish to make representations. If that is not the case, I would submit that I have given further thought to the remarks that I made on June 9, and find after careful consideration that the amendment cannot be accepted. Standing order 54 says:

> Whenever the Speaker is of opinion that a motion offered to the house is contrary to the rules and privileges of parliament, he shall apprise the house thereof immediately, before putting the question thereon, and quote the rule or authority applicable to the case.

In the "Introduction to the Procedure of the House of Commons" by Campion this position of an unparliamentary motion is further clarified, and at page 149 it will be found:

> Amendments are out of order
> (1) If they are irrelevant to the question to which they are moved, or would, if carried, produce a defective, meaningless, or ungrammatical form of words.

I should like to point out to hon. members that the two words here "defective" and "meaningless" are the ones which I am concerned with at the moment.

The amendment reads:

> This house is of the opinion that in view of the present grave situation in the matter of international wheat trading the government should make an immediate declaration as to its policy respecting the marketing of our Canadian wheat surplus.

The amendment asked the government to make an immediate declaration as to its policy. Policy is within the realm of executive action. Even if the amendment were to carry, if it is the policy of the government not to say anything, well, what would be the position in this house? The house would have declared that it is its opinion the government should make a declaration of policy, and there would be no such declaration of policy, because there is nothing that we can do about it. It is for the government to decide in this particular field just what is their policy, and they may decide to say nothing about it at this time. Hon. members know that when questions are asked on the orders of the day a cabinet minister often replies that this is a matter of government policy which will be announced in due course, and there is nothing that any member in this house can do about that.

**Mr. Drew:** That is right.

**Mr. Speaker:** I would like to point out that since the Minister of Trade and Commerce (Mr. Howe) has made a declaration of policy, *a fortiori* this amendment becomes much more meaningless than it was in the first place. Therefore, for these reasons, I declare the amendment out of order, and if the amendment is out of order it follows that the amendment to the amendment of course must fall.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I do not propose to challenge the ruling because the matter can be discussed. Simply because this is a ruling of record I would point out that in the opinion of many hon. members the statement which has been put forward as a policy was meaningless and therefore we do not yet understand what it means.

**Mr. D. S. Harkness (Calgary North):** Mr. Speaker, though this particular amendment and subamendment which were before the house have been ruled out of order I propose to go on with the discussion on wheat which the amendment initiated.

I regret there has been the interruption in the discussion which takes continuity away from it and makes it more difficult to carry on the debate in an orderly manner, and particularly the fact that, under the rules of our house, when this particular motion was before the house it was not as a result possible to discuss the problem of wheat and grain marketing, for instance, when the estimates of the Minister of Trade and Commerce were discussed the other day.

First of all, I should like to make a few comments on some of the statements the Minister of Trade and Commerce made in connection with wheat marketing. When this matter was up previously the minister of course was optimistic as usual, not as optimistic as he has frequently been in the past, but still reasonably optimistic. He stated he did not think we had such a great deal to worry about; everything would work out satisfactorily, and so on. It seems to me the Minister of Trade and Commerce pursues what might be called an ostrich policy in regard to this wheat question. In other words, he buries his head as far as possible and shuts his eyes and attempts to get the rest of the people in the country to shut their eyes to what is the actual situation. In other words, he just does not like to have the real gravity of this situation realized by the people in this house or throughout the country. He not only persuades himself that it is not as bad as it is, but tries to persuade the rest of the people. It is a form of self-hypnosis.

Speaking the other day, the minister made quite a point of the fact that, as he said, the figures as to our percentage of the world trade in wheat were very good. In fact he said that we are riding at the highest point in percentage in our history. A little later on he went on to say that we are not blasting our way into the wheat markets of the

world but that we are, however, holding what we have. Well, what he meant was we were holding not what we had or have had as a general thing for many years past. We are holding only a percentage of a very small amount of wheat going into general world trade. It is quite true that as far as wheat going into the world trade is concerned, and in the last few months particularly, we are holding our percentage; we are all right percentagewise but the fact is that when you have a percentage of a very small amount it does not help a man who has wheat to sell. It does not help our farmers who have a very large proportion of last year's crop still on hand, and it does not help the country as a whole. It certainly will not assist the country, and terminal elevators crammed with wheat at the present time, to get rid of that wheat. In other words, compared with other countries percentagewise our sales are still quite good, but the actual amount of sales is very small and of no great help, and in fact, they do not in my opinion, present a true picture of the situation.

The minister said there was no reason for any complaint in regard to the way wheat sales have been handled, and during the meetings of the agriculture committee, which took place a few weeks ago, quite a number of compliments were handed out on the wheat marketing that had taken place, and very few questioned what had been done. The minister attended some of these meetings but by no means all, and I would like to ask him to read the reports of these committee meetings and he will see that I for one questioned this policy at some length, and there can be no doubt that the inference to be drawn from the large number of questions asked was that quite a number of people were dissatisfied with the situation.

Of course, if the minister is directing his statement towards the handling of wheat marketing in past years, then that is a different matter altogether, and I would also point out that in the agriculture committee we were limited to a consideration of the 1952 crop. We were not able to discuss the 1953 crop. Therefore, as far as the recent developments are concerned, the committee was unable to deal with them at all. It was dealing with something which happened a year or two ago.

Now, the minister in his statement said that the initial price for wheat is $1.40 a bushel. That is quite correct, but what about the demand that there should be a floor under wheat? As far as the present crop year is concerned there is a floor price of $1.40, but quite a number of people are beginning to wonder if that is all they are going to get for their wheat and whether there will be any further payment. But as far as next year's crop is concerned, the one which has now been planted and which will be harvested in August or September of this year, there is no floor whatsoever, and what the farmers of this country particularly want to know at the present time is what the initial price for that wheat is going to be. In other words, what will the floor price be for the coming year?

I think before this debate is over the Minister of Trade and Commerce (Mr. Howe) should make an announcement in that regard. The announcements in this regard have always been made before this date in previous years, and in fact some considerable time before this. The announcement is due and certainly I think there should be no further delay.

Contrary to what the minister attempted to indicate in his speech, there is no floor price whatsoever for the crop which is now in the ground and which will be harvested this fall.

There is one thing the minister said with which I thoroughly agree and that is that if you expect to sell in a competitive market your prices must be competitive. I think it is complete nonsense to talk, as some people do, about maintaining an artificial price higher than the price at which other people are prepared to sell their wheat, because, if you do that, while the price may be all right you will not sell any wheat. The minister is quite correct in his statement that we have to meet competitive prices from other countries. I will come back to that particular matter later on but I would say in passing—and I want to make this quite clear—that we should not enter into any price war because I think that would be quite fatal. Certainly if a country such as the United States reduces the price of its wheat by 10 cents per bushel on world markets, as it did a short time ago, we must meet that price if we wish to sell any wheat.

There have been quite a lot of figures put on record in regard to this wheat situation, but I do not think the figures used are quite up to date and I do not believe they put the picture in its true light, and they certainly do not represent the true picture as far as the western farmers of Canada, and in fact the entire economy of Canada, are concerned. I have a few figures which I should like to add to those which already have been put on the record in regard to this matter.

First of all, the price for No. 1 northern wheat is $1.72½ per bushel, and the price in August, 1953, under the international wheat agreement and as indicated in the wheat board report, was $2.01¼. For class II wheat it was $2.02½. In other words, since August of last year the price has dropped by approximately 30 cents a bushel. The wheat we had on hand at August 1 from the previous crop year and the crop then being harvested amounts in all to probably well over 800 million bushels, and the exact figure is probably nearer to 900 million bushels.

The value of the wheat at that time was based on $2.01 and $2.02 a bushel. What that means is that the value of this wheat has now dropped by at least $250 million. In other words, the farmers of western Canada, at present prices, are going to receive $250 million less than they had anticipated when they took in the crop last August. Of course, there has been a substantial drop since that time in the amount of wheat which has been sold, but nevertheless this means that the economy of Canada will be short of $250 million. That money would have been circulated among the retailers, wholesalers, and manufacturers of Canada, for when money like this is in the hands of the western wheat farmers it keeps circulating, and when it is cut off you have a situation much like that of a house of dominoes which falls over when one is moved.

The fact that there will be about $250 million less for the western farmers to spend than they imagined there would be when they took in their crop last August is going to have a very serious effect on the economy of the western farmers and, as a result of that, on the entire economy of Canada.

I would like to say something about the amount of wheat on hand. According to the dominion bureau of statistics the wheat in a commercial position as at May 26 of this year amounted to 341,564,000 bushels and the wheat on farms at March 31—the last date for which figures are available since they are only put out every three months—amounted to 382,666,000 or a total supply at May 26 of 724,230,000. That is an enormous amount of wheat.

Now, I have seen a considerable number of figures quoted in the newspapers recently to the effect that the amount of wheat on hand in Canada amounted to 600 odd million bushels. That figure keeps cropping up in the press from day to day, though where they get it and what its origin is I do not know. However, the figures I have given are those issued by the dominion bureau of statistics and I think that is the closest estimate there is. The amount on the farms is, of course, an estimate, but I think the figure of approximately 724 million bushels of wheat is probably fairly accurate. On April 1, following on from that—that is two months before this—the total supply at that time again, according to these figures from the dominion bureau of statistics, was approximately 741 million bushels. I will leave out the thousands. What that means as to sales is this. That was on April 1, two months ago; on April 1, or the end of March, the total sales or disappearance, whatever you like, during April and May were, as I make it, only 16,700,000 bushels approximately.

**Mr. Howe (Port Arthur):** Mr. Speaker, may I point out the obvious error that my hon. friend has made? He has taken the figures of stocks on farms as of March 31 as constant. Of course the stocks on the farms have been moving into the country elevators ever since then. Therefore he has made an error and I think he knows it. The figures he has given are erroneous.

**Mr. Harkness:** Mr. Speaker, I am not making any error from that point of view. The figure for the stocks on farms—the last figure which the dominion bureau of statistics has—is for March 31.

**Mr. Howe (Port Arthur):** Yes.

**Mr. Harkness:** I am taking that figure as being approximately 383 million bushels.

**Mr. Howe (Port Arthur):** Yes.

**Mr. Harkness:** That is the last figure there is. In other words it was the same on April 1 as it is now. There has been a certain amount that has moved in. That is quite correct. The only figures we get on it are those I have mentioned. This amount on the farms is an estimate anyway. The figures that you must take and must use are the figures presented by the dominion bureau of statistics. They are the figures the minister used.

**Mr. Howe (Port Arthur):** If I may interject again, Mr. Speaker, may I say that it is all right to use the figures on March 31 as being correct as of March 31, but if you use the figures of March 31 as being correct as of June 1, you are introducing a very serious error, as my hon. friend must appreciate.

**Mr. Harkness:** I appreciate the fact that grain has gone in and so on.

**Mr. Howe (Port Arthur):** The hon. member sticks to his fallacy.

**Mr. Harkness:** The minister must appreciate the fact that that is the only figure available and it is the figure on which all these various computations and so forth are made. I admit quite freely that some of the grain that was

on the farms at that time has gone into the elevators, but not a great deal of it has gone in.

In connection with this matter I should like to refer to something that happened in the committee with regard to sales of wheat. I asked a considerable number of questions in regard to this matter and I had considerable difficulty in getting answers as to what the actual sales of wheat had been during recent months, or, in fact, the only months we were allowed to look at. Eventually we got it established that the total sales—domestic, export and everything else—for the six-months period from August 1, 1953, to January 31, 1954, were only 122 million bushels. In the previous year they had been 223 million bushels; the year before that, 228 million bushels; the year before that 181 million bushels; the year before that, 138 million bushels. It was not until we got to one year, August 1, 1948, to January 31, 1949, that we got down to approximately the same amount, namely 120,500,000 bushels. The year before that the figure was 137 million; the year before that it was 268 million. In other words, our sales had slipped and slipped extremely badly during this six-months period. In other words this thing has been coming on for a long time and the minister knew it was coming on for a long time in spite of all his optimistic utterances in the past. The sales had slipped to just a little more than half of what they had been the year before from August 1 to January 31 of last year. I asked quite a number of questions as to whether this—

**An hon. Member:** This year.

**Mr. Harkness:** Yes; this year; August 1, 1953 to January 31, 1954. I asked quite a number of questions as to whether this was not the most disturbing fact we had put before us or that we were discussing in the agriculture committee but the officials there tried to pooh-pooh it and laugh at it, in the same way as the minister has done and to say that sales did not mean anything, that you did not need to worry about sales. In my opinion sales are the most important thing. They are the thing that counts as far as the farmer is concerned. Unless the wheat is sold, he cannot get paid for it; and that is what he is interested in. But as I say, they attempted to tell me that sales were not important, that there was no need to worry about them. In actual fact sales have continued to shrink and shrink. In other words, the situation kept getting worse and worse as time went on instead of getting better, and sales during the past few months have been frightening. When I say "frightening" I mean frightening because they were so small.



I should like to approach this matter from a different point of view. Perhaps the minister will attempt to refute these figures also. The exports during the period—this information is also from the dominion bureau of statistics and I believe the figures were used here before—of August 1, 1953, to April 30, 1954, which was the last period for which I could get them, were 186,200,000 bushels. But in the wheat board report we also find that the exports for the period from August 1, 1953, to January 31, 1954, were 138,300,000 bushels. In other words, our total exports for February, March and April—for three months—were 47,900,000 bushels. That is all that we exported. That is to say that the average exports for those three months were just a little less than 16 million bushels a month. The exports for the first four weeks in May—as was established by the hon. member for Assiniboia (Mr. Argue) in the house a short time ago—were 14·6 million bushels; and he said that that was a terrifying figure. May I say that it is not nearly as terrifying as the fact that it is the same figure as that which has prevailed for the preceding three months.

**Mr. Howe (Port Arthur):** Has my hon. friend the figures for exports for the same three months a year ago, two years ago or three years ago?

**Mr. Harkness:** I think I could produce them for the year before, if I had a few minutes to go through this wheat board report. However, they were very greatly over this figure, as the minister knows.

**Mr. Howe (Port Arthur):** No; they were not.

**Mr. Harkness:** Yes; they certainly were.

**Mr. Howe (Port Arthur):** For February, March and April?

**Mr. Harkness:** Yes, the figures for February, March and April were very much in excess of that. I will find the figures here in a minute. Here are the exports for the crop year 1952-53. The exports for these four months were respectively—and that was after things had got bad—17 million, 16·4 million, 25 million and 46·5 million.

**Mr. Howe (Port Arthur):** The hon. member is now getting into May. He spoke of February, March and April. The periods are not the same.

**Mr. Harkness:** Mr. Speaker, the minister apparently was not paying attention. I started talking about the four months. I said that in these three months the exports were approximately 16 million bushels each,

and in May it was exactly the same thing. Exports in the first four weeks were 14·6 million bushels, which would mean an average for the month of about 16 million. In other words, the exports during that whole four-month period have been an average of about 16 million bushels and that is all.

**Mr. Howe (Port Arthur):** The figure was a little less the year before.

**Mr. Harkness:** It was a great deal more the year before. I just put the figures on the record. My goodness, Mr. Speaker, this situation seems very difficult for me to understand. I am reading from the report of the minister's own board and I have just read the figures as to what the exports were for May of last year as being 46·5 million bushels; then he says they were less the year before.

**Mr. Howe (Port Arthur):** Not February, March and April.

**Mr. Harkness:** When one cites figures of that sort and then hears statements made which are so contrary to the reports put out by the minister's own department it makes it very difficult to carry on a reasonable debate on the matter. Apparently the minister is just not willing to see any reason. Not only does his optimism blind him as to what the real situation is but he will not even admit the figures that his own people put out. As the hon. member for Eglinton has said to me, the minister takes an extremely selective approach to all these problems. He selects only what is pleasing to himself and what he thinks will be pleasing to the people.

**Mr. Howe (Port Arthur):** You did the selecting. You picked the months.

**Mr. Harkness:** The only reason I picked these months, as the minister knows, is that they are the last four months, and I am trying to bring the picture up to date. I am much more disturbed about the whole situation than the minister appears to be. The situation is bad and he should know it is bad. He is the one who can do something about it but unfortunately he will not even admit that the situation is bad and that our exports have fallen to this extremely small amount.

As a matter of fact, although our exports during that period only amounted to just over 60 million bushels for four months, the picture is even worse than that because, as we learned in the committee, there were forward sales as of January 31, the beginning of this period, amounting to 21 million bushels. In other words, all the sales that have been made during this period only amount to some 41 million or 42 million bushels. The sales picture seems to be much worse than the export picture and our anticipation of future deliveries is getting worse all the time instead of better. That of course is one of the reasons why the sales picture is important. It is on that basis that we make our exports.

The sale of wheat is a government responsibility. The government has a monopoly in the sale of wheat through the Canadian wheat board. As it has that monopoly, with the result that the farmers cannot sell their wheat to anybody else, the government must assume the responsibility for selling this grain. They have not been selling the grain. Sales have been going down. The situation is getting worse all the time. The farmers still have large amounts on their hands which they are not able to deliver and there is another crop in the ground which will be ready to harvest in two or three months. From one point of view particularly it is a great misfortune that the government has come to be looked upon as the only source, so far as the grain business is concerned, for information, assistance of any kind or anything else along that line.

As the result of the government monopoly in the sale of wheat the people of eastern Canada do not understand the situation. I run into people all the time, even members of the House of Commons, who, whenever an interim or final payment on wheat is made, will say to me: Oh, the government is giving you fellows another handout. Because the government has this monopoly in the handling of wheat many people in this part of the country do not understand the fact that the interim and final payments which the minister announces in the house are not government money. A whole lot of people think that it is government money which is being given to the prairie farmers when it is their own money which is being paid to them on the basis of wheat sold and so forth. As I say, government control of grain has produced an unfortunate result in the minds of many people in eastern Canada. Every time an announcement is made of a payment with respect to grain they think that the government is giving a handout to the west, which is complete nonsense.

With respect to the present situation, I thought that the minister's statement that we must meet competitive prices was sound sense. We must do that. I do not think there is any question about it. In that regard there is an article in this morning's *Gazette* from which I should like to quote briefly. It

is by Sydney Gampell and is datelined "London, June 14". The article reads in part as follows:

> After, as before the 10 cent price cut, and at either the minimum or the maximum price of the international wheat agreement, the wheat market is still artificial. In what amounts to a busted corner, there is no real market and no real price.

Unfortunately I think that is all too true, and under these circumstances, as I indicated earlier, it seems to me that there is no value in the idea a lot of people in the east particularly have, people with whom I have had private conversations, that if we cut the price another 10 or 20 cents a bushel we will sell a lot more wheat. I do not think we would sell any more and we might not sell as much. To cut prices and enter into a serious price war would be the very worst thing that could happen to the economy of this country and the wheat market generally. I am glad to see that an observer in London corroborates that view. The article continues:

> If the oversupply and the overproduction in the exporting countries were thrown on the market for what it would fetch, it might be lucky to fetch so much as a dollar a bushel. Some of it might go begging as a gift. If the United States could find places inside or outside the iron curtain to make gifts of wheat with any political advantage or even without positive political disadvantage, it would probably be glad to give the surplus wheat away. It has already made some not insignificant attempts.
>
> How the exporting countries got into this mess is irrelevant. The important question is what do they do now. What they almost certainly will not do is to slash the price in a free-for-all competition for any regular commercial markets. If they allow a sharply falling market they will sell less wheat, not more.

I would hope that attention will be paid to what was pointed out previously by the hon. member for Prince Albert (Mr. Diefenbaker) among others, and that the government will maintain the closest possible consultation with the other big holder of wheat available for export, the United States, and will put forth every possible effort to ensure that there is nothing in the nature of a price war, in other words, that another drop on their part or another drop on our part does not take place. It seems to me that the only hope in the present circumstances, until a different cycle of weather rights the situation, is to try to maintain the price as close to the present level as it can be maintained, and that can only be done by co-operation and consultation with the United States. It would seem to me that must be the government's chief effort at the present time not only so far as the western wheat farmer is concerned but also from the point of view of protecting the whole economy of the country.

[Mr. Harkness.]

From all I have heard, it does not seem to me that the government has met its responsibility in that regard in recent months. I think one great lesson that we have learned, or that I hope we have learned, from the present situation is that the wheat agreements which were sold to us particularly by the Minister of Agriculture (Mr. Gardiner) as the cure for all the uncertainty of agriculture in western Canada have not succeeded in doing that. They have proved to be a complete disappointment. I think the history of the years since the war has demonstrated the fact that there is no security for agriculture in international or intergovernmental wheat agreements because the importing countries enter into these agreements when it is advantageous for them to do so, and when the price is falling and it is not advantageous they do not enter into them or if they have they do not fulfil the agreement as was the case with one or two nations which signed the international wheat agreement.

Wheat has had an unfortunate history in the post-war period. The western farmers lost several hundred million dollars through having to sell their wheat at less than the market price and now they have no security so far as wheat delivery, price, quantity or anything else is concerned. I would hope that as the result of this experience we have at least learned one lesson, that these things do not provide security and there is no use counting on them to do so.

Now, Mr. Speaker, as I said, the government is responsible and has been responsible all the way through for the selling of Canadian wheat. They have not met that responsibility. We have all this wheat on hand that has not been sold. We find the farmers in an increasingly difficult situation, and particularly is that going to be the case if this next crop proves bountiful. Therefore I would move as an amendment to the motion, seconded by the hon. member for Brant-Haldimand (Mr. Charlton):

> That all the words after "That" to the end of the question be deleted and the following substituted therefor:
>
> "this house regrets that the government has failed to deal effectively with the problem of marketing Canada's wheat surplus."

**Mr. E. G. McCullough (Moose Mountain):** I rise, Mr. Speaker, to take part in this very important debate. The announcement by the government on June 7 of the lowering of the price of the three top grades of wheat by 10⅛ cents a bushel was a blow below the belt to the western farmers. The ramifications of that policy, which I maintain is the forerunner of a fire sale policy, cannot be overemphasized. We have already heard

one or two members in this house representing the western part of Canada, who have indicated their concern.

I can agree in only one respect with the hon. member for Calgary North (Mr. Harkness), who has just spoken. He stated that the responsibility rests with the government. There can be no denial of that statement. I cannot, however, go along with him when he indicates that he is more or less in agreement with the government's policy.

**Mr. Harkness:** I do not believe I could have indicated the reverse more strongly.

**Mr. McCullough (Moose Mountain):** Then, the hon. member will have to explain it, because after all he did not lay down any policy. He took it upon himself to more or less explain the wheat stock situation, and then he did say, I believe he will agree, that the price of wheat must be competitive.

In this group we have in the past supported the idea of the international wheat agreement and orderly marketing of grain. We have supported the principle which has been followed by the Canadian wheat board, and the principle of marketing wheat under that board. Here, I believe we have a diversion from that program that has been pursued in the past. In spite of the fact that we in this group have, during this session, asked the government to indicate its wheat policy and also to give some indication of what the farmer should do in respect to seeding of the crop this year, we have not to date received any information from them as to what the government's policy is to be in the future.

Indeed the Minister of Trade and Commerce (Mr. Howe) has castigated members of this group who tried to get some statement from him as to the initial price for wheat this year. Then, after the western crop has been seeded again, here we have the government announcing a policy on June 7 which, as I say, can only make the devils laugh and the angels weep. Surely we could have a policy in this country by which our agricultural producers could have stability and security. I say to the Minister of Trade and Commerce and the Minister of Agriculture (Mr. Gardiner), both of whom I am happy to see are in their seats, that if they allow the decline in prosperity in western Canada, it is going to affect every last home in Canada. We in this group are not coming here to suggest blue ruin in the west. We recognize that Saskatchewan, our own province, is in a prosperous state.

Many of the farmers are in the happy position of having paid off some of their pre-war debts; they are in the happy position of having grain in their bins; they are in the happy position of having been able to purchase farm machinery, even at the high prices, in order to farm more efficiently. But I do want to say to the Minister of Trade and Commerce and the Minister of Agriculture that we are not going to sit in this house and wait until the agricultural situation deteriorates to the point of depression. I am happy to see that the hon. member for Qu'Appelle (Mr. Mang) is in his seat. He represents a riding that is just north of mine. I do not believe he performed any useful service to western agriculture or to himself when he took it upon himself the other night to indicate that there was not a very serious situation in western Canada.

**Mr. Blackmore:** You are right there.

**Mr. McCullough (Moose Mountain):** Later on in my remarks I shall deal with what he said. It is sufficient at this time to say that there are, however, people who appreciate the situation. If anyone in the house thinks the farm members from western Canada are asking for something unreasonable, let him look at the full-page advertisements that the great firm, the T. Eaton Company, have published lately in the Toronto *Globe and Mail*. Province by province, these advertisements have indicated the economic situation.

On June 12 last the full-page advertisement concerned Saskatchewan. We are mighty proud of the success we have had in Saskatchewan, and of our ten-year record with a C.C.F. government. All those resources were there prior to 1944, Mr. Speaker, and we feel very fortunate that the resources we have in that province are being developed for the people by the C.C.F. government. The C.C.F. government did not put the resources there; that was the work of Divine Providence. We are happy to note that we have 40 per cent of the oil reserves in Saskatchewan alone. This advertisement illustrates that in Saskatchewan 70 per cent of the population is rural and 60 per cent of the provincial revenue is derived from the land. One can readily see from that that we are dependent upon the returns we get from agriculture.

At one o'clock the house took recess.

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The house resumed at 2.30 p.m.

**Mr. McCullough (Moose Mountain):** Mr. Speaker, at one o'clock I had been discussing the serious situation which has arisen owing to the announcement on June 7 when the government indicated that the price of wheat

for the three top grades would be dropped by 10⅛ cents per bushel. The failure of the government to announce early in the year the policy it might have in regard to wheat has left agriculture seriously concerned as to what the future holds. While the Prime Minister (Mr. St. Laurent) has indicated to the house—and has been reported in the press to the same effect—that he does not foresee any price war in the sale of wheat, it does not in any way quiet our fears that the government is now launching upon a program which may spell disaster for agriculture in Canada.

Not only have there been various press comments in this connection, but I should like to quote a press report appearing in the Ottawa *Journal* of Saturday, June 12, which states:

> Jake Schulz, president of the Manitoba farmers union, Friday protested trade minister C. D. Howe's statement that Canada will cut the price of wheat again if necessary to protect this country's share of the world market.
>
> Mr. Schulz said in a statement the minister's comment will "be a shock to many western farmers".

Mr. Schulz, as president of the Manitoba farmers union, represents a large organization of farmers in that province. In addition to that, a press dispatch appearing in the *Manitoba Co-operator* of June 10 indicates that the federation of agriculture has sent a telegram to the minister requesting that the government should not engage in any fire sale of Canadian wheat. I would quote from the press report as follows—

**Mr. Speaker:** Order. Hon members should not quote opinions of associations or newspapers published outside the house reflecting or commenting upon proceedings in the house. When the hon. member was making his first quotation I was about to rise. Now that he has embarked upon a second one I think it is my duty to remind him that citation 265 in Beauchesne's third edition states this:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

**Mr. McCullough (Moose Mountain):** Mr. Speaker, I was trying to indicate that the western agricultural conference has also asked that the federal government should not enter into any fire sale of wheat. Certainly there can be no assurance to agriculture that the government is not undertaking to place upon the world market wheat at competitive prices which would lead to a fire sale of our Canadian stocks of wheat.

[Mr. McCullough (Moose Mountain).]

I should like to point out the situation in regard to wheat stocks at the present time, because this is a matter of concern to all of us. Under the international wheat agreement some forty-odd exporting nations were to have a total combined quantity for export, and the importing countries agreed to allow importations of such stocks of wheat to the extent of 421 million bushels. As of June 1 this year there still remained 210 million bushels unsold in respect of those commitments. Of the commitment set aside for Canada, as of June 1 only 83 million bushels out of 163 million had been sold under that agreement.

So it is a matter of concern to those of us who represent agricultural constituencies that the government has not been able to sell a greater share of the commitment under the international wheat agreement. We do not think of course that agriculture is the only industry in Canada that should be protected. But when one understands that the total sales of wheat and flour represent more in the Canadian economy than any other single industry, the importance of wheat cannot be underestimated.

I think the government has been remiss in its duty when it has failed to state its policy in regard to the initial price for wheat this year. As I said before the recess, we have been trying to get the government to state prior to seeding what the initial price this year would be. Now the crop has been seeded, and the farmers are at the mercy of government policy. However, we have indications, according to a forecast from the United States, that the new United States crop will be about 990 million bushels. And this, added to the great wheat stocks in the United States, will bring the total up to 1,700 million bushels.

Taking into consideration wheat stocks in the United States, and adding to that figure the wheat which is in Canada, amounting to around 700 million bushels, we recognize that this is a tremendous amount of wheat to have on hand. However, I do not go along with the hon. member for Calgary North (Mr. Harkness) who, as I gathered, indicated that he was prepared to go along with the government in its policy of selling our wheat at competitive prices.

In other words we have the situation where, the other day, when the United States said they were going to lower the price of wheat ten cents a bushel, the Canadian government lowered our price for the top three grades to the extent of 10⅛ cents. Where is this going to stop? According to a press dispatch of June 12 appearing in the Ottawa *Citizen*, it is now rumoured that the delegates

to the international wheat conference meeting in London tomorrow have been instructed by the United States administration to sell wheat and to offer stocks on hand in the United States at a minimum price of $1.55, under the international wheat agreement. If that is so I would ask the Minister of Trade and Commerce (Mr. Howe) this question: Is that going to be the Canadian policy?

**Mr. Howe (Port Arthur):** No.

**Mr. McCullough (Moose Mountain):** I am happy the minister shakes his head, because all along we have been asking the minister to indicate the policy of the Canadian government. If we are to have a policy of orderly marketing and exporting of wheat, it cannot be one whereby, as soon as we have stocks of wheat on hand, we are going to throw it on the open market, regardless of price. I know very well that time and again the Minister of Trade and Commerce has repeated his statement that it would be useless to cut the price of wheat to increase sales because the demand is not there.

So I do not think the Minister of Agriculture (Mr. Gardiner) added clarity to the situation when he spoke in Regina. His speech is reported in the Ottawa *Journal* of June 14. The Minister of Agriculture said that the piling up of wheat in the finest storage facilities in the world is playing right into the hands of the market. I do not know what the Minister of Agriculture meant by that statement. If he means that by having some stocks of grain on hand we must embark on a fire sale policy, then it is like hunting for a jet-black cat in a dark room where there is no cat. It is just as clear that you cannot get any solution from that sort of thing. What we in the C.C.F. advocate is the principle of the ever-normal granary. In view of that, the Canadian stocks of wheat should be recognized as a safeguard for short crop years.

After all, Mr. Speaker, we are fighting an ideological war throughout the world. We are trying to indicate to those countries of the world that the kind of society in which we live is the best society for man. We are fighting to win over men's minds to our way of life. When the Minister of Trade and Commerce (Mr. Howe) rises in his place and asks: Where are those hungry people? I have only to refer him to the publication put out by the government entitled: "Current Review of Agricultural Conditions in Canada." I do not intend to read it. Perhaps I would not be permitted to read it to the house. This is a government publication which gives a favourable impression of the foodstuffs existing throughout the world. It goes on to indicate the hunger and the need for the uplifting of nutritional standards in various parts of the world.

I submit to the house that if we are fighting a war to win men's minds and to do away with hunger, then of course we have to play our part, and play it in a full way, in order to see that these countries that are undernourished and underfed and hungry are sufficiently fed. Not so many years ago Sir John Boyd Orr, then president of the food and agriculture organization, indicated that about two-thirds of the people went to bed hungry every night. If that is the condition that exists, surely in Canada we are not going to have a policy which is not going to allow our agricultural producers who have cooperated with the government to produce sufficiently huge stocks of wheat for a world which needs food.

At page 5749 of *Hansard* the minister seemed to indicate that in interviewing the members of the agricultural conference meeting here in Ottawa he was led to believe that farmers from western Canada were not in a bad financial position. He indicated that, according to his interview with those representatives, only about one per cent of the farmers needed financial assistance in the way of loans. I want to point out to the house that it may be quite true that a lot of the western farmers are still in a financially liquid position. But on the other hand, there are straws in the wind that indicate that the situation existing in western Canada is not as rosy as the minister suggested.

According to the dominion bureau of statistics figures, in 1946 the prairie indebtedness stood at $367 million. In 1952 it had increased to $486 million. Then again the loans from chartered banks increased from $283 million in 1952 to $318 million in 1953. Under the farm improvement loan plan, in 1951 the farmers of the prairies borrowed $85 million; in 1953 they borrowed $98 million, an increase of 33 per cent in the number of applications.

Let me take the agricultural picture over the country. In 1951 the figure stood at $2,811 million. In 1953 it had dropped to $2,674 million, or a decrease of $137 million. The situation is serious; and, as I indicated before lunch, we from western Canada are not concerned entirely with the prairie provinces. We recognize that if the agricultural situation is affected adversely it will in fact bring the whole economy down to that level. That is exactly what happened in the 1930's when agriculture was not receiving its fair share of the national income and prices were at a deplorable level. People

were out of jobs and our whole economy suffered. Already we have had delegations coming to Ottawa from the agricultural implement industry and the textile industries indicating an increase in unemployment in Canada. Indeed, it has reached an all-time high. Therefore we are asking the government to hold the price line and to use its policies and its power to sell our wheat at prices which will guarantee the producer a decent standard of living.

In Saskatchewan we have made tremendous gains in the last ten years. We do not come here from that province asking for a handout. The thing we are asking for here is nothing short of a just, fair and equitable policy for western agriculture. At one time our province of Saskatchewan was called nothing but a hard luck province. In the last ten years we have been successful in raising the standard of living. We have been successful all along the economic line in order to give our people more security.

I hold in my hand a booklet published by the government of Saskatchewan, showing ten years of progress under that government. I commend it to all hon. members, because it shows in an unmistakable way the progress made in that province. We are not content, sir, to sit idly by and to see our people go back to the conditions that existed prior to 1944. I remember full well that during the election—and I believe it was the type of advertising used by Liberal candidates all over the country—Liberal candidates said: "Vote Liberal and keep Canada prosperous." I think the people supported the government and returned them to office on that basis. As the hon. member for Qu'Appelle said the other day, we should try to keep the record straight. He emphasized that point of view in his speech many times. I say now, let us keep the record straight. This government told the people of western Canada that if they voted Liberal they would have continued prosperity. Well, in the years from 1951 to 1953 agriculture has been put in an adverse position, when you compare the returns to agriculture with the cost of production. According to the dominion bureau of statistics figures there has been a decrease of about 16 per cent. That could very well end up in a tailspin, where our people once again would be losing their farms and where the general picture for agriculture would be disastrous.

What I am saying to the government today is that we in this group support the principle of orderly marketing. The government should assume the responsibility of taking over surplus stocks of wheat in Canada.

When you look over the submissions made to the cabinet by the Canadian Federation of Agriculture over the years you will see that they have advocated to the government that surplus stocks of wheat in Canada should be stored and that the agricultural producers should not suffer from having those surplus stocks. It would be good policy, Mr. Speaker, for the government to undertake a policy of storing a thousand million bushels of wheat in Canada as a reserve either for war or for scarcity.

I do not agree with the Minister of Agriculture that having surplus wheat in this country should mean disaster, because that is the only interpretation I can take from his remarks as published in the Ottawa *Journal* of June 14. If the government undertook that policy, it would not mean of course a lot of money being spent on storage, but it would mean that the agricultural producer would have money in his pocket to buy the farm machinery. The farm machinery workers would be able to return to work, and so would many people who are today unemployed. Of course, anything may happen; but the Minister of Trade and Commerce has indicated on many occasions over the past three years that the crops we have had were likely to continue. What better type of husbandlike direction could we have from the federal government than the government taking over these stocks and storing them until people require them throughout the world?

I am sure he will agree with me when I say that the time will come when we can market these stocks of grain at a very decent price, a price which will meet with the support of the farmers, and one which will not cost the Canadian people one single red cent.

Today we have enough money to meet essential commitments in our defence program. There can be no question about that. And if we need more money for planes or guns the government can find it. This year we are spending about $2 billion for defence purposes. That may well be necessary, but I would point out that today we are not necessarily fighting a war involving guns and planes. We have to make people believe in the free way of life we have in the western world, and if that means anything at all it means security to the people of Canada, and livelihood, job and home security to the farmers throughout the length and breadth of the land.

We are not going to be able to put across any of the principles we cling to in regard to a better way of life to the peoples of the Far East and Asia unless we can have such a program here. It must be rather difficult for the people in the underprivileged countries to accept these views when they hear that in

Canada, although we have produced more cars, machinery, and more of everything else, we are starting into another economic tailspin.

I would therefore urge the Minister of Trade and Commerce to tell the farmers today, even though it is rather late in the day, what the initial price for wheat this fall is going to be. The government should buy, store, and pay the farmers for wheat, which could be stored against future commitments. For in my opinion the only way in which we are going to get the importing countries to adhere to any agreement is to assure them that they can obtain their requirements of wheat at an agreed price and on the date when it will be required in future.

If the government will undertake to do that I am quite sure that that will be the means of giving stability to agriculture; it will assure the farmers that they are going to be adequately protected; and, moreover, it will assure stability to our entire economy.

Just in passing, Mr. Speaker, I should like to refer to some statements made by the hon. member for Qu'Appelle, and I am very happy to see that he is in his seat, because I was most concerned when he said that he viewed the economic position of western agriculture from an airplane in coming to Ottawa and he felt quite satisfied that everything was all right because he saw some ships on the great lakes. It seems to me he took a rather superficial point of view in attempting to determine whether agriculture in Canada was in a healthy condition, and I would urge him to take a much closer look at the situation.

I have already indicated that farmers today are worried, I have mentioned the farm debt, and I have pointed to the prosperity we enjoy in Saskatchewan. But I would also add that we recognize that unless we have in Ottawa a government that is prepared to arrange an economic state of affairs throughout this country, which will lend healthy support to agriculture, then the progress we have made in Saskatchewan will seriously deteriorate. We must have an over-all economic policy to support our present policy.

In conclusion, Mr. Speaker, I hope this government will not continue to sit idly by when large segments of our economy are in this present rather serious situation. I therefore move, seconded by the hon. member for Yorkton (Mr. Castleden):

That the amendment be amended by changing the period at the end thereof to a comma and by adding thereafter the following words:
"and this house further regrets that the government has failed to make provision for a floor price to the wheat producers of Canada at levels not less than the Canadian wheat board selling price, basis Fort William/Port Arthur, on Friday, June 4, 1954."

**Mr. Victor Quelch (Acadia):** Mr. Speaker, the drop of 10⅛ cents in the price of wheat, plus the statement by the Minister of Trade and Commerce (Mr. Howe) that it is possible that additional cuts might have to be made in future has, in my opinion, caused a great deal of concern in western Canada.

**Mr. Howe (Port Arthur):** Mr. Speaker, I hope my hon. friend is not going to put words in my mouth. I did not say it was "probable" and I did not intimate what he implied. I said that the price could not be regarded as a firm price for all time and if it was necessary to keep our grain competitive the price would be cut again.

**Mr. Quelch:** Mr. Speaker, I immediately corrected the word "probable" and said the minister had said it was possible. I corrected myself when I made that statement and there is no reason for the minister to rise again.

In my opinion, the concern today is not so much over the actual price of wheat, that is $1.72, but rather in regard to the uncertainty about the policy of the government in the future. That is what concerns farmers at the present time. There is no definite support price under wheat today, although we had a support price for four years under the international wheat agreement of $1.55 per bushel. But owing to the fact that so many nations have withdrawn from the international wheat agreement, that floor can no longer be regarded as an effective support.

I noticed in the Ottawa *Journal* the other day that the president of the farmers union of Alberta, Mr. Henry Young, has urged the government to announce that they will not allow the price of wheat to fall below the support price under the international wheat agreement. That should be the very minimum the government should be prepared to do.

Mr. Young pointed out that if the government made that announcement it would at least help to remove the fear that the price of wheat might absolutely collapse. I am not saying they would be satisfied with that; but they are suggesting that that is the very least the government could do at the present time, namely announce its support price equivalent to the support price under the international wheat agreement.

**Mr. Howe (Port Arthur):** Mr. Speaker, may I make a comment? I cannot think of a more bearish statement any government could make at this time.

**Mr. Quelch:** It might be bare but at the same time the people of Canada are a little bit fearful of what might happen. The Minister of Trade and Commerce has stated that we have a floor price of $1.40, but what

we have is an initial payment. Let me point out to the minister that there is a fundamental difference in principle between an initial payment and a floor price. An initial payment is usually set sufficiently low so as to ensure that the average price received during the year will be higher than the initial payment. On the other hand a floor price or a support price is usually set sufficiently high so as to ensure that the price of agricultural products will not be allowed to fall sufficiently low to reach an uneconomical level.

As an example, let us take the Agricultural Products Co-operative Marketing Act. Under that act provision is made whereby the government can guarantee an initial price up to 80 per cent of the average price of the past three years but, as a matter of practice, the government has usually guaranteed that initial payment up to only 60 per cent in order to be certain that they will not suffer a loss. The Minister of Agriculture (Mr. Gardiner) himself pointed out that there is a big difference between that act and the Agricultural Prices Support Act, because under the Agricultural Prices Support Act provision is made not for an initial payment but for a support price and that support price is tied to the price of other commodities, under section 9. I therefore say that the farmers would feel a great deal happier today if they knew that a support price was going to be maintained under wheat.

The minister has also stated in the past that he does not think the Canadian consumer should be taxed in order to subsidize the price of wheat. On the other hand, I never heard the Minister of Trade and Commerce (Mr. Howe) object when the Canadian farmer was taxed in order that the people of Canada might receive wheat at a lower price. When the price of wheat to the producers was kept below the world market price, actually what was happening was that the producer was being taxed in order that the consumer could receive wheat at a lower price. There is no difference between the two. In the one case you are taxing the people to subsidize the price of wheat at a fair level. In the other case you are taxing the farmer in order to keep the price of wheat down to what the government considered to be a fair level at that time.

If the government, as a matter of policy, fails to stabilize the price of wheat at a level that returns to the farmer a fair price they will, in my opinion, be committing a definite breach of faith with the farmer. In 1941-42 when the price ceiling was put on, the prime minister of the day, in a broadcast, announced to the farmers that he appreciated the fact that they were expanding their production in spite of the fact that a price ceiling had been put on; and he guaranteed that in compensation the prices after the war would be stabilized at a fair level. That was a definite promise made by the prime minister of this country in 1943.

In 1945 the then minister of trade and commerce announced a post-war policy on the marketing of wheat. He said that policy would be not to try to obtain the full world market price for wheat sold to our allies but that it was the intention to sell wheat for less than the world market price because he considered that we had a moral obligation not to charge our allies the maximum price we could get, having in mind the great contribution they had made in that war. When I replied to the speech made by the Minister of Trade and Commerce, I pointed out that we were prepared to support that policy, that we realized that we in Canada had a moral obligation to help our allies by not charging them the maximum price but that we must recognize that it was a moral obligation of the people of Canada as a whole and not merely that of the farmers. I pointed out that any losses suffered as the result of that policy should therefore be borne by the Canadian people as a whole and not by the farmers alone; in other words, to whatever extent losses were suffered, the farmers should be compensated for that loss.

We all know what happened. I am not going to place a lot of figures on the record—they have been placed on the record so many times already—to show what those losses were. We all know that there was a substantial loss as the result of selling wheat under the British wheat agreement and selling wheat to the consumer in Canada at the same price instead of obtaining the price for class II wheat, which loss has been estimated anywhere from $300 million to $500 million. All the farmers received against that loss so far was a payment of $65 million.

As I say the prime minister referred to the fact that the farmers had made a sacrifice and that they could rest assured that they would be compensated for it by a stabilizing program after the war. The Minister of Agriculture also referred to the same thing in the past. If the statement made by the Minister of Trade and Commerce represents government policy in this country, and if they are opposed to the people of this country being taxed in order to subsidize agricultural prices in order to maintain them at a fair level, then it can mean only one thing. It means that the price to the farmer is to be governed by the so-called law of supply and demand. If that is to be the policy, then the

farmers of this country would be justified in reducing their production in order to try to keep the price higher.

Would the Minister of Trade and Commerce agree that the farmers would be justified today in reducing their production in order to keep prices higher? If prices are to be made subject to the law of supply and demand, that is the only protection the farmers have unless the government is prepared to step in and to place a support price under farm products. I should be interested in knowing whether that was government policy. I think a declaration of that kind should be made. I think it is only fair to the farmers that they should be told by the government whether their policy is this: We want you to reduce production; we are not going to guarantee a higher price but you can look after the situation yourself by doing as other industries do, namely reduce production, and that reduced production will force prices up. Personally, we in this group do not favour such a policy because if we had two or three years of drought we would have a situation in the world where there would be widespread famine.

In his speech the Minister of Trade and Commerce stated that it was a fallacy to suggest there were starving people or starving nations in the world today. If the Minister of Trade and Commerce reads what is put out by the food and agriculture organization, I think he would be impressed by the fact that consistently over the past five years they have been stressing the fact that unless the nations that have the ability to expand the production of food do so, there will be widespread starvation in the world. In their recent publications they have referred to that point on a number of occasions. When the food and agriculture organization met in conference in Rome last fall one of the first statements issued there—and I quote from the *Western Producer*—was as follows:

> The United Nations group said in Rome, Italy, on the eve of a three-week conference that opened November 23, that its latest surveys showed a trend back "to the dilemma of the '30s with excess food co-existing with hunger."

Then I was struck by a statement in the FAO publication entitled *Memo* dated June, 1954. This is with regard to a report of the situation they expected to exist in 1956-57. They have this to say:

> The report notes that "if, because of the fear of surpluses (in the more developed countries), present production plans were scaled down, the result might be a continuation of past shortages and inadequate levels of nutrition, for there can be little doubt that a high rate of population growth will continue at least for some years to come. The margin between the expected expansion of production and population is narrow, and one or two bad harvests could wipe out much of the expected improvement in food supplies" . . .
>
> "The essential problem is to raise the purchasing power of the poorer consumers," the report continues. "The possibility that supplies may at times exceed effective demand should not obscure the fact that most of the world's population still lack enough food. It would be tragic and socially dangerous if we found ourselves back in the dilemma of the 'thirties with excess stocks co-existing with hunger."

If this situation described in the FAO report refers to food other than wheat, then I think the government of Canada would be justified in perhaps following a policy similar to that of the United States. Apparently there may be some reason to feel that there is a different situation with regard to wheat and other farm commodities because I notice that the international federation of agricultural producers do make a recommendation that we reduce the production of wheat and increase the production of other commodities in its place. In the *Manitoba Co-operator* of June 3, 1954, I find this statement:

> I.F.A.P. recommended that production of such crops as cotton, grain and potatoes be reduced and that production be increased for such commodities as animal proteins not in surplus supply at present.

If the government feels it would be advisable to cut down the production of wheat and increase the production of other commodities it could encourage action of that kind by a policy similar to that carried out in the United States where the farmers were given the option of maintaining their production of wheat at the present level and taking a cut of around 40 or 50 per cent in the price of wheat or cutting their production of wheat by 25 per cent and continuing to receive the support price of $2.21 a bushel, that is 90 per cent of parity. A policy of that kind no doubt would bring a substantial reduction in the production of wheat and would bring about an increase in the production of other farm commodities that may be needed at the present time. As I say, that is a matter that needs to be looked into, and if the government came to the conclusion that that was desirable they could very easily bring it about by action similar to that taken in the United States.

Since the war the food and agriculture organization has done a great deal of research work with respect to the matter of food surpluses and ways and means by which these food surpluses can be got to nations that need them. First of all we had the suggestion of Sir John Boyd Orr regarding a world food board, which was supported by the Minister of Agriculture (Mr. Gardiner). Later we had

another proposal known as the international commodity clearing house. That idea originated with the Canadian Federation of Agriculture which passed it on to the international federation of agricultural producers which passed it on to the FAO council. The FAO council set up a body of six experts who drafted the proposal known as the international commodity clearing house. That was not supported by the Minister of Agriculture. I want to make it clear that I am not saying that he did not support the proposal of Sir John Boyd Orr, but the Minister of Agriculture did not support the international commodity clearing house and voted against it.

**Mr. Gardiner:** That is not exactly correct either but I will deal with it in due course.

**Mr. Quelch:** I am so used to the minister saying one thing one time and another thing another time that this time I have brought with me what he did say. In April, 1953, in a speech I made in the house I was saying exactly what I have been saying today. At that time I said, as found at page 4588 of *Hansard* of April 30, 1953:

> . . . but I am interested in the action that was taken by Canada in reference to the specific proposal for setting up an international commodity clearing house. That was the proposal before the conference and Canada voted against it. The minister can give his own reasons . . .

Then the minister followed me, gave his reasons and concluded with this sentence:

> If we went into a scheme of that kind with a group of nations that would not accept the principles that were laid down by Lord Orr, then of course we would be looking for trouble; so we voted against it.

**Mr. Gardiner:** My hon. friend has not yet read all that is there.

**Mr. Quelch:** Pardon?

**Mr. Gardiner:** If he will permit me to state what the position was I will state it now.

**Mr. Quelch:** I think the minister had better do that in his speech later.

**Mr. Gardiner:** It might suit your purposes better if I did.

**Mr. Quelch:** All I wanted to point out was that the minister voted against the international commodity clearing house—

**Mr. Gardiner:** No, I did not. I voted against the conditions that existed at the meeting at that time which were that the United States and Britain both refused to have anything to do with that proposal, and I said Canada could not take it on alone.

[Mr. Quelch.]

**Mr. Quelch:** And as a consequence voted against the international commodity clearing house. The minister may have good reasons for it, but the point is that when the proposal was voted on Canada voted against it along with the United States and Britain.

**Mr. Gardiner:** Canada did not vote until the United States and Britain had expressed their opposition.

**Mr. Quelch:** I did not say you did. I say you voted against it.

**Mr. Gardiner:** You are leaving the wrong impression entirely.

**Mr. Quelch:** I merely said when the vote was taken you voted against it, and the record stands there. I am not criticizing the minister. He may have considered he had good reasons, but we seem to get into so much confusion. One time he says he voted for it—

**Mr. Gardiner:** I have never at any time said anything different from what I am saying now, and my hon. friend cannot find that I did.

**Mr. Quelch:** When the hon. member for Assiniboia (Mr. Argue) was speaking the minister denied having voted against the international commodity clearing house. But now we have the record straight. The minister, after making a great deal of explanation, finally voted against the international commodity clearing house.

**Mr. Gardiner:** The record is not straight according to what you are saying.

**Mr. Quelch:** Nobody could straighten out what you are saying. That is more than any man could do. It is interesting to note that the working party of eight nations has put forward additional proposals for dealing with farm surpluses, and this program is outlined in the FAO publication, *Memo*, of March 1954. Five suggestions are made for dealing with the situation and they are as follows:

> 1. Sales on concessional terms, or grants, in aid of development . . .
> 2. Sales against importers' currencies, to be used for special purposes . . .
> 3. Sales on concessional terms, or grants for special welfare distribution programs . . .
> 4. Sales on concessional terms, or grants, for emergency relief . . .
> 5. Holdings, or segregation, of stocks . . .

Ever since the discussion on the Bretton Woods agreement members of this group have advocated that it would be in the interests of Canada to accept sterling in payment for a certain proportion of our exports

to these countries in order to make it possible for them to buy our products. It is interesting to note that today more and more bodies of people are appreciating the soundness of that suggestion. In the May news letter of the Canadian Chamber of Commerce the acceptance of sterling is advocated. The food and agriculture organization, in the proposal known as the international commodity clearing house, advocated the acceptance of sterling. The proposal put forward by the eight nations working party also advocated the acceptance of sterling or the currency of the importing nation. In 1951 the United States, under the mutual security act 1951 program, put into effect a policy whereby they accepted the currency of foreign nations for certain specific purposes.

On the other hand, when the Minister of Trade and Commerce (Mr. Howe) spoke he called it a fallacy to suggest that the acceptance of foreign currency would help to sell commodities. He stated that there are only two nations with respect to which the United States has agreed to accept payment in the currency of those countries. One case was Japan. The minister says that there are only two nations, but the other day I read a report which indicated that there were a number of nations. I believe it was five, but in any event more than two. I forget the names of the nations. However, the March, 1954, issue of *Memo* makes it clear that far more than two nations are involved in the transaction because this is what it has to say:

> Sales against importers' currencies, to be used for special purposes. The outstanding examples of this type of special measure are transactions under the United States mutual security act of 1951, as amended. Under this act, the supplies are used to build up stocks, ease derationing, meet abnormal import requirements of countries having poor harvests, etc.

Here is the important point.

> Under most of the transactions concluded so far, the local currency proceeds are to be used for providing military assistance.

Note that it says "under most of the transactions". That means there must have been more than two. At the very minimum you would have to have three in order to have the word "most" involved. It does not say how many but I understand there have been at least five transactions to date. Even five is not very many transactions, but I think there is a reason for that. Under this plan the use of foreign currency was limited to investment for defence projects. However, the United States administration now is greatly widening that program, and if that program is put into force I feel we will see far more goods sold under it.

*Wheat—Marketing of Surplus*

I have here a copy of *U. S. News and World Report* for June 11, 1954, dealing with the new proposal that the administration has put forward, and I quote:

> A disposal plan for farm surpluses now has administration approval.
>
> Basic idea is to sell surplus commodities abroad for foreign currencies. That eliminates the problem of getting American dollars in payment.
>
> Hope is that if India, for example, can buy American wheat for rupees instead of dollars, purchases of wheat will increase.
>
> Result aimed at in the plan is to increase the total volume of exports of farm products. If accepted, the plan will be operated so as to take precautions against replacing normal sales with shipments abroad of government held stocks. Purchasing countries also would be pledged not to trans-ship the products.
>
> Foreign currencies received by the United States could be used in part to buy strategic materials for the government stock pile.
>
> A swap is proposed, actually, of surplus United States farm products for strategic materials, such as manganese or uranium, held by foreign countries.

Now, here is the important point.

> In addition, the president would be authorized to use the foreign money for local improvements in the buying country, to pay U.S. obligations there, to buy military equipment, to help develop new markets for U.S. farm products, or for loans to promote world trade.
>
> The plan has been submitted to congress as an addition to the program for the foreign operations administration that now is being considered. A limit of $1·3 billion is put upon this kind of transaction. That is as far as congress is asked to go in reimbursing the government for the surpluses shipped.

If that program is adopted, I believe the Minister of Trade and Commerce (Mr. Howe) would agree that would be one more difficulty we would have to face.

**Mr. Howe (Port Arthur):** That program was adopted some months ago. So far as I know, India has not taken any wheat for rupees and very few other countries have taken wheat for local currencies.

**Mr. Quelch:** This article is dated June 11, and it says this is merely an administration program. The program to which the minister is referring is the mutual security program, and under that foreign currency can only be utilized for defence purposes. This is a new proposal to greatly widen the purposes for which foreign currency can be used. It is merely part of the administration's program and has not been placed before congress yet.

I am suggesting that if the program the minister is talking about under the security act is extended as wide as this program, then we will face a lot of additional competition. If a nation can just pay for the wheat it needs or the farm products it needs with its own currency, it will be far easier for it than having to find the dollars, especially when

that currency will be invested in their own country, and not used merely for defence projects but for such things as irrigation works, as is done under the Colombo plan. Then, we will be facing very severe competition. We will have a situation where we are not merely competing against the United States treasury, because that is what the farmers of this country are having to do today. When we drop the price of wheat ten cents a bushel our farmers have to take that loss, but when the United States drops the price ten cents a bushel the farmers do not take the loss because they are guaranteed $2.20 a bushel. Actually, therefore, the farmers of this country today are having to compete with the United States treasury.

Then, we would have the further handicap of competing with nations whose currency is depreciated far below the Canadian dollar; that is the second severe handicap. The third handicap would be that we would be losing markets to the United States because they would be willing to accept foreign currency.

By way of summary, I would say that we insist that a support price for wheat comparable to the prices of other commodities is fully justified at this time. This is true, first of all, because a stabilized price was promised as the post-war policy of the government; secondly, because world peace requires adequate reserves of food, and those reserves must not be allowed to force prices down below an economic level. When the minister spoke he said there had not been any criticism of the wheat board officials or other officials dealing with wheat. I would point out that the wheat board only markets our wheat. It was not the wheat board that set the policy for subsidizing the Canadian consumer or the foreign consumer. It is not the wheat board that has the power to set a support price. It was the government that set the policy of subsidizing the consumers of this country and in foreign nations. We feel it should be the government of the day that initiates a support price that would guarantee the farmers a fair price for their products.

**Mr. W. A. Tucker (Rosthern):** We have before us a motion to go into supply, to which an amendment has been moved by a representative of the official opposition, as follows:

> This house regrets that the government has failed to deal effectively with the problem of marketing Canada's wheat surplus.

A subamendment has been moved on behalf of the C.C.F. as follows:

> and this house further regrets that the government has failed to make provision for a floor price to the wheat producers of Canada at levels not less than the Canadian wheat board's selling price, basis Fort William/Port Arthur, on Friday, June 4, 1954.

[Mr. Quelch.]

I would say first of all in regard to this motion to go into supply, and particularly with reference to the subamendment on behalf of the C.C.F., that we in Saskatchewan are accustomed to the use that is made of these amendments. Obviously, a motion to go into supply is a motion that must be carried in order to conduct the business of the country. If that motion were defeated by an amendment, it would mean the resignation of the government. The people who move such a motion realize that those who believe in the government's policy, and those who wish to keep the government in office, will have to vote against that amendment. They know that just as well as anybody else, and they have been doing that sort of thing in this house now, particularly the representatives of the C.C.F. party, for several years.

When it comes time to putting out propaganda, they do not point out that when people vote against these amendments to supply motions they are, in effect, voting to keep the government in office in which they believe, and the whole governmental program that is involved therein, but they publicize the fact that members vote against an amendment rather than in favour of the government's program as a whole. They point out that members voted against this particular item, and that particular item, and they spread that around the country. It is then said that members who have been elected here to represent western Canada voted against many of the things that the people of western Canada would like to see brought into effect. Then, it is suggested that the members who did so have betrayed the people who elected them.

Well, that sort of thing is designed to whip up hatred and establish as much misunderstanding as possible, as hon. members opposite, some of whom are laughing, know. They know what I say is quite true.

**Mr. Castleden:** We know it is ridiculous.

**Mr. Tucker:** It has paid off politically. Almost all members of the C.C.F. avail themselves of these tactics because as we know they are great supporters of socialism. They are great supporters of the ideas of Karl Marx, and Karl Marx taught that the way to line up people to support certain things was to preach hatred and establish hatred, and if you could establish enough hatred amongst enough of the people then you could bring about the revolution you desire.

**Mr. Knowles:** Is that what you were doing when you voted for one of our amendments in 1946?

**Mr. Tucker:** That is the sort of thing the C.C.F. have indulged in for some time. I think it is probably the reason why they have not had more success in Canada as a whole than they have had.

**Mr. Knowles:** More than you have had, anyway.

**Mr. Tucker:** I remember very well during the war, a period when C.C.F. members who were sitting here from 1940 to 1945 had very high hopes of ultimately—and in the not too distant future—becoming the official opposition in this House of Commons, and then becoming the government.

**Mr. Nicholson:** The hopes you had in Saskatchewan.

**Mr. Tucker:** When they formed the government in Saskatchewan in 1944 they figured that that was just a step in this direction. Well, I think the people of this country as a whole—and I am suggesting this to the C.C.F. party—just looked at what went on in Saskatchewan. They have seen these attempts at character assassination—smear. And the people of Canada have decided they do not want to have that sort of thing put into power in the Dominion of Canada as a whole.

One of the things about which I have been very much impressed is that the C.C.F. party takes the lead—and I do not include in this certain people in that party, because I know some of them do not engage in this sort of thing, and do not like it—but there are members of the C.C.F. party in prominent positions who seem to have control when it comes to elections. During the last election there was a long list of things put out by the C.C.F. that Liberal members from western Canada were supposed to have voted against. They were on the basis of these tactics I have just mentioned. In my opinion that is nothing but deceit; it is nothing but an attempt to mislead the people.

**Mr. Castleden:** On a point of privilege, Mr. Speaker—

**Mr. Gardiner:** Are you guilty?

**Mr. Harrison:** You will get more of it, too.

**Mr. Castleden:** I have no objection to the hon. member making remarks of that kind, but I just want to know that when we are allowed to reply we will be given similar latitude to answer the slurs that have been given out by the hon. member for Rosthern (Mr. Tucker).

**Mr. Tucker:** I have been stating facts; and the very fact that the hon. member immediately gets uneasy is very significant, indeed.

**Mr. Castleden:** We are not uneasy.

**Mr. Tucker:** In any event, I was going to say that I think they have not attained the success that they thought they would.

**Mr. Castleden:** A very valuable opinion!

**Mr. Tucker:** Our people in Saskatchewan believe that the way to make progress in this country is to have a certain amount of respect for one another, not to teach hate; they believe we should teach mutual respect, not try to build ourselves up by smearing other people, but that we should take the attitude that the other fellow is probably just as good as we are; and, while he might not see your viewpoint at once, if you take a reasonable attitude then ultimately you can rely upon your fellow Canadian to give you a fair deal.

I am satisfied that the approach the C.C.F. party, in making smear attacks on prominent public men accusing them of having betrayed the people who elected them—claiming they have been guilty of treachery—that sort of thing is building up hatred. I am satisfied that those tactics do not help the cause of Saskatchewan in the eyes of the rest of Canada, in any respect.

Now, in regard to the subamendment, the C.C.F. party know quite well in the first place that, even if members on this side of the house might consider it was desirable, we, believing as we do in the efficacy of the present government, believing as we do in the program of the present government, would unhesitatingly vote against that subamendment to keep the present government in office so as to complete its whole program. When they put the subamendment before us they knew we would do that, and they are laying the foundation to repeat in the future what they have done in the past.

Now, what do they actually suggest? They are actually suggesting that the floor prices of wheat be put upon a basis about ten cents higher than the present selling price. In effect, that is what they are suggesting. That sort of thing—the setting up of a floor price at a point much higher than the prevailing market price—has been tried for many years in the United States. It has resulted in the building up of such a large surplus of food supplies that farmers in that country are coming to the view that it is not a wise policy. It has built up such a surplus that the other taxpayers are beginning to find fault with the policy. The farmers themselves are beginning to realize they have to pay part of the taxes to produce a whole lot of goods that are being stored up and are spoiling.

**Some hon. Members:** Oh, oh.

**Mr. Tucker:** Well, that is the case. And we find in the United States that more and more people are coming to the view that a price support policy must be one that will guarantee a living to the people engaged in that line of work—but not one that will act as an incentive to produce a vast oversupply. This is what was stated by the leader of the Social Credit party the other night.

The C.C.F. know this just as well as anybody else, but they move this subamendment, knowing full well that it is not possible in any way to carry it out, and knowing that if they were in the government they would not and could not carry it out. They know very well that it will be a good thing to use to whip up hatred when the time comes, in Saskatchewan. I shall deal with that again for a moment or so later on.

The Liberal policy is very clearly set out in an act which was passed under a Liberal government and which is still on the statute books, dealing with the support of agricultural prices. In that connection I should like to read section 9(2) of that act which, I think, is a sound approach to the matter. It is based upon what I believe the Liberal party believes in—a fair deal to all regions, a fair deal to all parts of Canada, a fair deal to all races. That is what the Liberal party believes in, and it is on that basis that we can appeal to our fellow Canadians in other parts of Canada to give us a fair deal.

This is the section to which I have referred:

> In prescribing prices under paragraphs (a) and (c) of subsection (1), the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

I have been reading, Mr. Speaker, from the Agricultural Prices Support Act.

This applies to all agricultural products, with the exception of wheat. However, it was stated when the act was enacted that wheat would be dealt with on the same principle, but that it was not necessary to include it in this act because it was under the control of the wheat board.

This, as I see it, is sound, just and fair —that agriculture should be assured of supported prices in difficult times, that it will get fair returns as compared with those engaged in other occupations. That policy, I think, is sound; it is the law of the country today, and it is a policy that I am satisfied the Liberal government, who put the law on the statute books, will carry out.



And I want to say this to hon. members opposite that, speaking for the great agricultural constituency of Rosthern, which I have the honour to represent in this House of Commons, I am satisfied that that will be satisfactory to the fair-minded people not only of Rosthern but of the whole of Saskatchewan. This attempt on the part of the C.C.F. to play to the gallery has been seen through pretty well by all of Canada, and I think it is going to be seen through in Saskatchewan, and that the handwriting is already on the wall for the C.C.F. in that province.

**Mr. Castleden:** You didn't do much writing.

**Mr. Tucker:** What is basically wrong, what is basically unjust, and what is basically unfair to your fellowman will not ultimately succeed. I have that much faith in my fellow Canadians, and in my fellow citizens from Saskatchewan.

Now, in regard to the amendment of the Progressive Conservatives, it reads:

> This house regrets that the government has failed to deal effectively with the problem of marketing Canada's wheat surplus.

That amendment, Mr. Speaker, is really an attack not only upon the government, which has appointed the wheat board and which carries on this work through the wheat board as its instrument, but it is an attack upon the wheat board itself, because if there has been a failure to deal effectively with the marketing of our wheat, then of course the people who have failed to do that are the wheat board. It may be said that it is the Minister of Trade and Commerce (Mr. Howe). I do not think that anyone suggests for a moment that he is engaged in the marketing of wheat. True he is consulted in regard to the matter, but the one who takes the responsibility for doing the marketing of wheat is the wheat board. There have been attacks upon the wheat board in the past. I have deplored them because I think our wheat board system has saved our producers in western Canada literally hundreds of millions of dollars over the last ten years. I regret this continual attack, on every possible pretext, upon the wheat board and the wheat board system of marketing grain.

That is the sort of thing that everybody from western Canada, of all parties, if they think that the wheat board is a good thing, should deplore. I have a great deal of respect for the gentleman who moved this amendment and I am sorry that, coming from western Canada as he does, he saw fit to move this particular amendment. I am sure that

in doing this he was not speaking on behalf of the vast majority of farmers in western Canada.

The farmers in western Canada are apprehensive, Mr. Speaker, over these constant attacks upon the wheat board and our present system of handling grain. One of the proofs of that is to be found in an advertisement which I have in front of me. It is in a paper dated April 10, 1954, just two months ago. It was inserted by the Saskatchewan wheat pool. I submit, to you, Mr. Speaker, that they would not pay money to put such an advertisement in the paper if they were not apprehensive about the constant attacks being made upon our present grain handling system. Here is what this advertisement says: It is headed: "Some grain facts." The subheading reads: "Canadian exports, wheat and flour." It continues:

> This year, August 1 to January 31, 138,700,000 bushels. Ten-year average, August 1, to January 31 from 1943 to 1953, 137,700,000 bushels.

During that period the ten-year average was 1 million bushels less than we exported last year during the same period. The wheat pool wants to draw this to public attention. They put in black letters that the record during the present year is better than the average by 1 million bushels. I continue: The next subheading reads:

> Deliveries to elevators western Canada, all grains: This year, August 1 to February 28, 400 million bushels; ten-year average, August 1 to February 28, 1943 to 1953, 373 million bushels.

The farm deliveries during the seven-month period of this crop year covered by this advertisement are better than the ten-year average, as pointed out in this advertisement, by 27 million bushels. The advertisement goes on to say:

> Orderly marketing keeps grain moving. These are the facts. Don't be misled. Saskatchewan wheat pool, head office, Regina.

There is the attitude of the farmers of western Canada. They believe that we have a good grain handling system and they are apprehensive about attacks on it. They believe that the rest of Canada will be led to believe that we in the west are not satisfied with it; that it has failed; and that there will be the feeling that it should be changed. They want everybody to know that they the farmers in western Canada are satisfied with the present system of handling our grain, and the people who are real friends of that system will not seize upon a time of difficulty to attack it, Mr. Speaker, as is being done here today. Surely the time when the wheat board and the present system of handling grain needs support is now, when there are great difficulties.

**Mr. Harkness:** Don't burst a blood vessel, over nothing.

**Mr. Tucker:** They do not need support when things are going well. The time when that system needs support is when there are difficulties such as there are at present, and the real friends of the present system of marketing can be found when people seize the first chance to attack it, Mr. Speaker. The people of western Canada are observing what is happening today in regard to this problem.

**Mr. Harkness:** You are just setting up a straw man and knocking him down.

**Mr. Tucker:** I am just dealing with the facts. There is no doubt about where the farmers of western Canada stand on this matter. Here are some things that the Canadian Federation of Agriculture, representing the farmers of Canada, submitted to the government on February 19 of this year:

> We wish once again to put on record our support of international agreements as a means of developing and stabilizing markets for Canadian wheat.

Here is what was said in regard to what this amendment seeks to condemn:

> Finally, the Canadian Federation of Agriculture reaffirms its appreciation of, and confidence in, the work done by the Canadian wheat board in the discharge of its difficult and responsible tasks.

This is as complete and wholehearted an endorsation as you would get of any human institution, and yet this house is by this amendment asked to deplore, to condemn indirectly, something that our farmers in western Canada have fought to get for the last twenty years, at least, and are glad to have; and they are not going to abandon it because we have entered into a period of some difficulty.

This view is shared by members of all parties when they are speaking more or less as they should speak on behalf of the farmers. I hold in my hand the report of the agriculture committee, and I was very interested to see the attitude taken there. Some suggestion is made sometimes that we have been losing markets for our grain. Well, I find at page 32 of the proceeding of the committee on agriculture a definite question is asked of a member of the wheat board. Mr. Riddel in answer said:

> Yes, I think our markets in the Orient have been expanding during the past number of years, particularly in Japan, the Philippines and Hong Kong.

We heard the members of the board going over the work that they were doing in pressing the sale of our grain in all the countries of the world. Anybody who heard the evidence must have been impressed with the splendid case they made out and with the

good work they are doing in selling our grain. The person who asked the question knew that this charge was being put out to the country that Canada was losing our grain markets, and so he asked this definite question of the wheat board:

> We are not losing any markets?
> Mr. Riddel: No.

That is a definite, bald assertion by a member of the wheat board and yet when the Minister of Trade and Commerce rises in his place in the house and points out that we are holding on to our markets, that we are keeping our share of the markets, he is attacked because he defended the work being done by the wheat board. I say that in defending the wheat board, as he has done stoutly, and ably against attacks in time of trouble, the Minister of Trade and Commerce has the wholehearted support of 95 per cent of the farmers in western Canada.

**Mr. Pouliot:** Hear, hear.

**Some hon. Members:** Oh, oh!

**Mr. Tucker:** I am surprised to hear laughter coming—

**Mr. Harkness:** Keep up the show. It is quite amusing.

**Mr. Tucker:** —from the other side of the house. I am quite sure it is not related to the statement I made.

**Mr. Low:** We are laughing with you, not at you.

**Mr. Tucker:** I cannot imagine anyone who is concerned about the wheat board being upheld in a time of trial not being glad when the Minister of Trade and Commerce (Mr. Howe) made such an able defence of it as he did the other day. I sat here, Mr. Speaker, and I was grateful that we had a man of such great business ability looking after this matter and representing this government in regard to its dealings with the wheat board. The minister certainly effectively upheld the wheat board on the floor of this house, and we should all be glad that we have a man of his established ability and well known devotion to the welfare of the people of Canada in the position he is in.

**Mr. Macdonnell:** The minister made the best of a bad job.

**Mr. Tucker:** I do not think it was a case of making the best of a bad job.

**Mr. Knowles:** Don't you?

**Mr. Tucker:** I think the record of the wheat board during the last ten years is one of which most Canadians are proud and rightly proud. I do not think that a representative from western Canada would dare to make such a statement when the minister was defending them, namely that he was defending a bad job. I can understand it being said by an opposition representative from the city of Toronto.

Here is what was stated in regard to the job done by the wheat board, and this very interesting comment can be found at page 34 of the evidence given before the agriculture committee. I will read part of what Mr. Riddel said in his evidence. He said that sales would definitely be down from last year and he gave as the reason for that the fact that there were big crops in other countries. In view of that, sales would obviously be down. He added: ". . . . the crop production is up, away up". He then went on:

> I think that it can be said that the reason for the accumulated surpluses in Canada after the last crop year are definitely not the lack of sales, but the substantial production in the two previous crop years.

I hope you will note, Mr. Speaker, that he states that the reason for the mounting surplus is not lack of sales but the tremendous increase in production. It might be surprising to hon. members if I pointed out who agreed with him. The hon. member for Yorkton (Mr. Castleden) said: "I think we can all agree to that." Now, the hon. member who moved the amendment on behalf of the Progressive Conservative party was, I believe, present when the hon. member for Yorkton expressed his agreement and I do not find anything in the record to indicate that the Progressive Conservative member disagreed with that observation. Despite that, we are now told by both the Progressive Conservative party and the C.C.F. party that we are losing our markets.

One of the things with which everyone agrees is that we should not have a fire sale if we are to retain a fair price and hold our share of the markets of the world, because other people will want to do the same. If we try to get more than our share of a dwindling market in any way, shape or form, then the others are going to try to defend their position, and I think all hon. members agree that would be undesirable. Just what do hon. members want to do?

**An hon. Member:** Put a floor price under wheat.

**Mr. Tucker:** We can put a floor price under wheat but that is not going to get rid of our grain. The floor price might get you a few votes, but what I am dealing with is the problem which confronts us in western Canada of getting rid of our grain.

**An hon. Member:** At an adequate price.

**Mr. Tucker:** A high floor price is not going to get rid of the grain. It is suggested, for example, that we accept sterling in payment for our grain. Yet, we are told that Great Britain has had enough of having her currency taken in payment for various things she could not pay for during the war. She built up a debt with Egypt and India of about $12 billion and when she tried to repay that debt during the period following the war she was faced with millions of dollars of so-called unrequited exports.

**An hon. Member:** So what?

**Mr. Tucker:** My hon. friend says "So what?" That meant that when Great Britain came out of the war, struggling valiantly to regain her position, she had to meet that demand in exports for which she was getting nothing in return. She had this millstone hanging around her neck and as she struggled to the position where she could stand on her own feet and again become one of the leading nations again in regard to trade, commerce, banking, and monetary matters, she had to cope with this colossal handicap. The leaders of British opinion have taken the attitude that they want no more of this business of buying things for which they cannot pay and giving sterling which they know they will have to repay ultimately, for they believe in keeping their word.

It is therefore suggested here that we take sterling in payment and then expect Britain to pay it back later. But the British say, "No, thank you".

**Mr. Quelch:** Would the hon. member permit a question? Would the hon. member not agree that it would be quite different if that sterling were invested in the sterling area?

**Mr. Tucker:** To the extent the British government is willing to permit sterling to be given in exchange for wheat I take it that there would be nothing wrong with that proposition, but the British government have no desire to put the sterling area in a position of indebtedness to the rest of the world.

**Mr. Quelch:** Unless it is invested in the sterling area.

**Mr. Tucker:** Their attitude is that they do not want that sort of thing. My hon. friend is no doubt aware of the fact that Mr. Towers, governor of the Bank of Canada, stated that the financial authorities who were looking after financial matters in the United Kingdom were not favourable to any such plan. If they are not favourable to it what is the use of constantly talking about it on the floor of this house?

Some hon. members are constantly suggesting we should take sterling, but once we take sterling and become willing to carry out deals of that sort then the other competing countries would say, "You are taking sterling and therefore we will take sterling." They would bid against one another and in effect what you would have is a fire sale, because if we agree to accept payments in a depreciated currency then it is just the same as if we had reduced prices.

One of the things we have got to guard against at this particular time is that we do not engage in cutthroat competition with other exporting countries to try and steal from them what they might regard as their share of a diminishing market. If we can keep our share of that market, even though it is diminishing, we should be quite satisfied with that.

**Mr. McCullough (Moose Mountain):** Mr. Speaker, would the hon. member permit a question? Would the hon. member for Rosthern (Mr. Tucker) agree with the Minister of Trade and Commerce when he says that the wheat price must be made competitive?

**Mr. Tucker:** The Minister of Trade and Commerce took this attitude as I listened to him. He said that if we did not keep our wheat price competitive to a certain extent we would sell no grain.

**Mr. McCullough (Moose Mountain):** He did not say "to a certain extent".

**Mr. Tucker:** I beg the hon. member's pardon. He said we recognize that we always have to hold a bit of an umbrella over some of the smaller exporting countries. That is what he said. In other words, the attitude was, as I understood it, that there would be consultations with the great exporting countries and, so far as they are willing to cooperate, there have been consultations with the United States. As I understand his statement, the United States had taken the attitude that South American countries were pressing their sales and cutting prices and that if we did not do something to meet that situation they would sell their grain at good prices while we held the umbrella over their heads and kept our grain unsold. He said he recognized that to some extent the larger exporting countries would have to put up with something of that nature. In other words, the attitude of the Minister of Trade and Commerce was one that every single member of the House of Commons would agree with if he would lay aside politics for a moment. It is the policy that the great grain handling pools agree with. It is the policy that the

Canadian Federation of Agriculture agrees with. It is the policy that we handle our grain through the wheat board, that we do not press it on the market unduly and that we try to keep a fair price level for that grain. But it is also a policy that recognizes the fact that if you keep your price out of line with that of other exporting countries, they will sell their grain and you will not sell yours.

We had an experience of that situation back in the days of the thirties. When we refused to sell, our wheat piled up and other taxpayers in Canada began to get uneasy, as was to be expected. The result was that our wheat ultimately had to be sold at low prices because we could not keep it indefinitely. But our farmers realize that what is needed is a policy of moderation in this matter, one of working as much as possible with our great neighbour to the south. I believe that country recognizes its obligations under NATO but also is in the position that she is under pressure from competition from South American countries. She is beset by those two considerations. But I am satisfied that she is prepared to consult with us and to try to maintain a fair deal in prices for herself and for us also.

I am satisfied that in the Minister of Trade and Commerce and the wheat board we have people who will examine that situation and who will get as good a proposition for Canada as that which will be obtained by the representatives of any other country in the world. When we have a situation like that, with a capable wheat board that everybody upholds and a Minister of Trade and Commerce who is regarded as one of the outstanding businessmen in the western nations today—when we have the privilege of having him do this work, acting as a liaison between the western grain growers, the wheat board and the government of this country; when we have a man of that great ability, acknowledged over the whole world, who played such a great part before the war, during the war and after the war—I say that I am satisfied that I can go to 95 per cent of the farmers whom I have the honour to represent and that they will say to me: While we sometimes do not like the bluntness of the Minister of Trade and Commerce and we sometimes do not like the things he says in answer to our requests, we know that he is honest, that he is capable and that he is doing the very best he can for us; we are glad that he is there.

**Mr. Harkness:** See them smiling.

**Mr. Knowles:** The pause is so that the minister can stand up and bow.

**Mr. Tucker:** Not at all. That remark reminds me of "The Merchant of Venice"; we judge others by the way we think ourselves.

[Mr. Tucker.]

**Mr. Castleden:** Is that the beginning or the conclusion?

**Mr. Tucker:** I have often wondered how it was that the C.C.F. got certain ideas about other people, and that is the only conclusion I can come to as to how they got them. I will tell the hon. member for Winnipeg North Centre (Mr. Knowles) that I paused because I wanted to find a statement made by a member of his own party before the committee on agriculture. I thought he would be interested in it. It will be found at page 176 of the minutes of proceedings and evidence of the standing committee on agriculture and colonization. The hon. member for Assiniboia (Mr. Argue), a member of the C.C.F., in regard to the wheat board stated as follows:

> Mr. Argue: As one member of the committee and I am sure that I can speak on behalf of my associates here, the other members of the committee, in saying that we have had a very pleasant experience throughout with the board's appearing before the agriculture committee. This has been our experience before the agriculture committee. This has been our experience every time the board has appeared before the committee. I am sure we all appreciate the very co-operative way in which the members of the board have answered questions, the very full and valuable information they have given us, and I am sure that we and the producers of western Canada which they represent wish them continuing success in their operations this coming year.

**Mr. Castleden:** What a terrible attack!

**Mr. Tucker:** It is not an attack.

**Mr. Castleden:** The hon. member said we attacked the board.

**Mr. Tucker:** It is an endorsation—

**Mr. Knowles:** Hear, hear.

**Mr. Tucker:** — on the floor of the agriculture committee, to the effect that the wheat board had had success and they wished them continuing success.

**Mr. Knowles:** Hear, hear.

**Mr. Tucker:** I ask the hon. member if they agree with that. Why did they not move to strike out the amendment moved on behalf of the Progressive Conservatives rather than endorse it and add something onto it?

**Mr. McCullough (Moose Mountain):** Mr. Speaker, I rise on a question of privilege.

**Some hon. Members:** Sit down.

**Mr. McCullough (Moose Mountain):** On a question of privilege—

**Mr. Tucker:** There is just one thing—

**Mr. McCullough (Moose Mountain):** On a question of privilege—

**Mr. Tucker:** The hon. member can ask his question afterwards.

**Mr. McCullough (Moose Mountain):** On a question of privilege, Mr. Speaker.

**Mr. Deputy Speaker:** Order. I understand the hon. member is rising on a question of privilege.

**Mr. McCullough (Moose Mountain):** Yes, Mr. Speaker. I want to point out—

**An hon. Member:** What is the question of privilege?

**Mr. McCullough (Moose Mountain):** — that the amendment which we moved to the amendment—

**An hon. Member:** We have all read it.

**Mr. McCullough (Moose Mountain):**—is not in any way—

**Mr. Deputy Speaker:** Order. Will the hon. member please come immediately to his question of privilege?

**Mr. McCullough (Moose Mountain):** We in this group at no time have done anything other than support the Canadian wheat board. We have never attacked the Canadian wheat board.

**Mr. Deputy Speaker:** Order. The remarks of the hon. member do not constitute a question of privilege.

**Some hon. Members:** No.

**Mr. Tucker:** I think the amendment and the subamendment moved will speak for themselves. Our people in western Canada are intelligent and they understand what you have done.

There is one thing I wish to deal with before concluding, I understand my time has almost elapsed. I want to bring one matter to the attention of the government. The submission of the Canadian Federation of Agriculture to the government stated this:

> The problem of providing federal guarantees on bank loans secured by farm-stored grain has been before your government in the fairly recent past. While we do not believe that the lack of such guarantee has worked very much hardship on western farmers as yet, during this crop year, we believe that as the season advances a definite need for such interim financing may arise. Under such circumstances lack of federal action could cause unnecessary hardship to substantial numbers of individuals. We would therefore ask that you keep this problem under constant review, prepared to act when necessary.

What I wish to suggest to the government is this. With present circumstances as they are, it may be that it will not be possible to take delivery of a very great amount of the crop of 1954. If the crop is as good as it appears that it may be, and as we hope it will be, it will cost quite a bit to take it off. Many farmers will be needing help to finance their harvesting operations, and when the situation is not in any way of their own making I do suggest that the government should examine the matter very closely and, if they cannot take delivery of enough of the crop to cover the financing of harvesting it, make the necessary financing as cheap and as available as possible. Now that the Emergency Powers Act has expired I believe there is no provision in the statutes whereby the government can make provision for farmers to borrow enough to cover harvesting expenses under some partial guarantee as in the case of the Farm Improvement Loans Act.

I would ask the government most sincerely to give consideration to the situation with which we may be confronted in a matter of a couple of months from now or less than that and to make sure that if the situation turns out to be such that the government is satisfied that the farmers need help to harvest their crop provision will be made for them to borrow the necessary money under some partial government guarantee scheme as in the case of the Farm Improvement Loans Act.

**Mr. Nicholson:** I thought everything was O.K. over there.

**Mr. Tucker:** I think the people are satisfied that the government is doing everything possible. My hon. friend's colleague the member for Yorkton (Mr. Castleden) says that the situation is due to big crops. The government takes no credit for good crops and, after all, it should not be blamed for them either. I do suggest that consideration should be given to the possibility that action may be necessary if we have another good crop and that the government should provide itself with the necessary powers to initiate such action if necessary. In that regard I disagree most profoundly with the hon. member for Assiniboia (Mr. Argue). Our farmers are in such a financial condition, as pointed out by the hon. member for Qu'Appelle (Mr. Mang) the other day, that I think if they can get credit—

**Mr. Deputy Speaker:** Order. I am extremely sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

**Mr. Tucker:** May I finish my sentence.

**Mr. Knowles:** Let him finish.

**Mr. Harkness:** Let him go ahead.

**Mr. Tucker:** —that if they can get credit they will be glad to pay for it at the rate of 5 per cent, the same rate as under the Farm Improvement Loans Act. The farmers of western Canada are only too glad to be able to stand upon their own feet—

**An hon. Member:** Hear, hear.

**Mr. Tucker:** —and I am satisfied that they will be ready and willing to pay a reasonable rate of interest. All I ask is that the government make sure that they have the power to extend that financial help if it is needed.

**Mr. Nicholson:** They do not want to get into debt.

**Mr. J. H. Harrison (Meadow Lake):** Mr. Speaker, the hon. member for Rosthern (Mr. Tucker) has run out of time but I still have a little left and I should like to continue along the line he was following. I too have listened to some of the debate, particularly some of the speeches from the C.C.F. benches. I listened particularly to the hon. member for Assiniboia (Mr. Argue) the other night and I found some of his philosophy not at all surprising. It is the philosophy that you would expect him, as a socialist, to have. There was some difference of opinion between the hon. member for Assiniboia and the hon. member for Moose Mountain (Mr. McCullough) as to who was responsible for the economic situation in Saskatchewan and the good thereof. I think I understood the hon. member for Moose Mountain to say that all of Saskatchewan's present prosperity is attributable to the government at Regina. I think there should be a caucus among that group to decide who is who because the hon. member for Assiniboia expressed a very different opinion. If you will look at page 5737 of *Hansard* of June 9 you will find that he said:

> And so I say that this government—

He is talking about the federal government.

> —is directly responsible for the economic position of western Canada today.

I suggest that is diametrically opposed to what was stated by the hon. member for Moose Mountain when he attributed all the economic weal of Saskatchewan to the government of Mr. Douglas.

**Mr. Knowles:** Weal to Douglas, woe to Gardiner.

**Mr. Harrison:** Then there are some other things on which I think we should dwell such as how much stock we can take in the pronouncements of our friends on the other side, particularly in the C.C.F. group.

**An hon. Member:** Very little.

**Mr. Harrison:** My colleague says "very little", and I am inclined to agree with him.

**Mr. Thatcher:** He is biased.

**Mr. Harrison:** The hon. member for Assiniboia questioned the Minister of Trade and Commerce (Mr. Howe) and made a gentleman's agreement with him in the course of the debate that if the minister would give him certain information he would sit down. He operated like a true C.C.F.'er. The hon. member obtained the undertaking of the minister to fulfil his requirement to the letter but when he was called upon to fulfil his part of the bargain he operated like a true socialist and would not come through. There is nothing new in that. That is the cause of all our international troubles today. When we sit across the table from these people who are causing trouble in the world we cannot take their word for what they say. That is the reason we have these problems, because we are always sitting across the table from socialists. The Secretary of State for External Affairs (Mr. Pearson) has these problems every day. When he talks business with any of these people who are causing trouble he is always talking with socialists. That is the basic trouble. You cannot take their word for anything. There is no such thing as integrity in these people. When they say they are going to sit down they stand up.

**Mr. Nicholson:** Would the hon. member describe Mr. Attlee—

**Mr. Harrison:** Would you just sit down. You will have forty minutes later.

**Mr. Nicholson:** Would he put Mr. Attlee in that category?

**Mr. Deputy Speaker:** Order.

**Mr. Harrison:** When they say in Saskatchewan that they are going to take off the education tax it means that they are not going to take it off but are going to increase it, which they did by 50 per cent. If they say they are going to take the civil service out of politics it means they are going to put them into politics. They put through legislation to bring the civil service into politics. What do you find? You find C.C.F. candidates with campaign managers supplied by the department of public health, and so on.

**Mr. Nicholson:** Name one. You cannot do it. Name one.

**Mr. Harrison:** When a C.C.F.'er says that he is going to go north you go south if you want to catch him and you will catch him. I am glad—

**Mr. Thatcher:** On a point of order—

**Some hon. Members:** Sit down.

**Mr. Thatcher:** The hon. member in effect is calling me a liar and I resent it.

**Some hon. Members:** Sit down.

**Mr. Thatcher:** No. On a point of order, Mr. Speaker—

**Mr. Deputy Speaker:** Order. I understand that the hon. member for Moose Jaw-Lake Centre is raising a point of order.

**Mr. Thatcher:** The hon. member in effect has called me a liar, along with my other colleagues. I demand that he withdraw and I think his remarks should be expunged from the record.

**Mr. Deputy Speaker:** Order. I was listening to the remarks of the hon. member for Meadow Lake. They were of a general nature and I did not hear any particular reference to the hon. member for Moose Jaw-Lake Centre to which he could take exception.

**Mr. Thatcher:** Very respectfully, Mr. Speaker, may I just remind you of one. He said that when a C.C.F.'er says he is going north if you go south you will find him. On three or four occasions the hon. member said that the word of C.C.F.'ers could not be taken. I resent that, and I think in all fairness the hon. member should withdraw even if you will not make him.

**Mr. Harrison:** I think I can satisfy the hon. member personally when I say that I think he has demonstrated that he is no C.C.F.'er.

**Mr. Thatcher:** Mr. Speaker, I certainly am a C.C.F.'er.

**Some hon. Members:** Oh, oh.

**An hon. Member:** Prove it.

**Mr. Thatcher:** I still say that the hon. member has accused me of being a liar and I should like him to withdraw. I think if he is fair he will withdraw.

**Mr. Harrison:** Mr. Speaker, if it will do the hon. gentleman any good I will withdraw as far as he personally is concerned, but as far as socialists generally are concerned I certainly will not do so.

**Mr. Nicholson:** On a point of order—

**Mr. Deputy Speaker:** Order. Perhaps we could terminate this discussion without too much trouble. I understand that the remarks to which objection has been taken is something about going north, and then you would find them going south.

**Mr. Thatcher:** That is one of them.

**Mr. Deputy Speaker:** I really cannot find that a remark of that kind is unparliamentary. Objection may be taken by hon. members opposite the speaker, but they will have the opportunity of reply.

**Mr. Nicholson:** On a point of order: the hon. member has withdrawn so far as the member for Moose Jaw-Lake Centre is concerned, but it places the rest of us in this particular group in the position where it is claimed that our word cannot be accepted. I believe that if the hon. member wishes to observe the rules of this house he should withdraw his remarks without any further delay.

**Mr. Harrison:** I believe I can satisfy—

**Mr. Deputy Speaker:** Order. If the hon. member for Meadow Lake (Mr. Harrison) made any implication he would not accept the word of hon. members, I am sure he would be quite willing to withdraw.

**Mr. Harrison:** What I was going on to say, Mr. Speaker—

**Mr. Nicholson:** On a point of order: the hon. member has refused to withdraw the objectionable remarks in regard to the members of this group.

**Mr. Deputy Speaker:** Perhaps if the hon. member for Mackenzie (Mr. Nicholson) would give the hon. member for Meadow Lake time, he would make the withdrawal.

**Mr. Harrison:** I think when the hon. member for Mackenzie sees where I am going he will find that he has no objection that he can rightly make. My explanation to him would be as follows: he will find the remarks of the hon. member for Assiniboia at page 5738 of *Hansard* for June 9, 1954. During those remarks he agreed with the Minister of Trade and Commerce that if the minister gave him certain information at that time, he would sit down. He did not do that.

**Mr. Thatcher:** He sat down, and then he got up again.

**Mr. Harrison:** The hon. member went back on his half of the agreement. The hon. member for Assiniboia is spokesman for that group in agricultural matters.

**Mr. Nicholson:** Mr. Speaker—

**Some hon. Members:** Sit down.

**Mr. Harrison:** Just let me finish this thing. The house had a demonstration of just how good their word is, and what an agreement means to this kind of people. We have had plenty of experience along that line in Saskatchewan.

**Mr. Nicholson:** Mr. Speaker, on a point of order—

**Some hon. Members:** Sit down.

**Mr. Nicholson:** —the hon. member is trying to prove, by what he has just said—

**Mr. Harrison:** There is proof right on these pages, and everybody saw it.

**Mr. Nicholson:** The hon. member for Assiniboia will defend himself, but I insist that the hon. member for Meadow Lake withdraw

his claim that the word of members of this group cannot be accepted. I suggest, Mr. Speaker, that if the member will not withdraw voluntarily you should require him to make the necessary withdrawal.

**Mr. Deputy Speaker:** As I said before, although I followed the discussion with some care I did not get the impression that the hon. member for Meadow Lake had made any imputation. Nevertheless if the hon. member for Meadow Lake imputed that the word of hon. members opposite him could not be believed, he will, of course, withdraw. I am sure he would be glad to withdraw.

**Mr. Harrison:** If that were the case, I would do so, but I am talking of a particular case in this house and every member saw it. There is nothing to withdraw because I take it that if the hon. member sitting there, and who has risen so many times on questions of privilege and points of order, had not agreed with the exhibition put on at that time he would have gotten up and taken exception to it. It was at that time he should have risen on points of order and questions of privilege, when the member for Assiniboia put on that exhibition. If the hon. member did not agree, that was the time to say so.

What I wish to say, Mr. Speaker, is that that is the situation with socialists generally; that is the trouble we have internationally, because you cannot make agreements with these people. They do not keep their half of the agreement. Possibly if we got rid of that type of thinking in the world we would not be faced with this debate now.

**Mr. Nicholson:** You could not trust Mr. Attlee?

**Mr. Harrison:** To give these gentlemen credit, this type of thinking was not originated by them. It was first invoked in Grecian times when Philip of Greece used this kind of—

**Mr. Thatcher:** Let us get back to wheat.

**Mr. Harrison:** We are into this subject now, and we might as well go through with it. When Philip of Greece wanted to take over a neighbouring country, he immediately said he was good friends with them. They knew then they were going to have their throat cut next morning. This system of attack has been taken over by the socialists and is still used. When the Union of Soviet Socialist Republics want to take over some country, they immediately sign a friendship pact with those people. They move in and cut their throats next morning, then take their goods and chattels.

[Mr. Nicholson.]

Well, it was along this line that Demosthenes made his first Philippic or his first speech against Philip of Greece.

**Mr. Thatcher:** Let us get back to wheat.

**Mr. Harrison:** I should like to just quote a remark made by Demosthenes on this type of thinking. It is a remark from the first speech by Demosthenes against Philip.

**Mr. Thatcher:** Mr. Speaker, when do we get to wheat, which is the main point in this discussion?

**Mr. Harrison:** I think the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) will enjoy this, and very likely it will help him in the future to sell hardware. The quotation is as follows:

> And who is it that deceives the state? Surely, it is the man who speaks not what he thinks.

**Mr. Thatcher:** Is that what you are doing?

**Mr. Harrison:** The quotation continues:

> What greater crime can an orator be charged with than that his opinions and his language are not the same.

**Mr. Thatcher:** I charge you.

**Mr. Harrison:** How often do we find the opinions of these gentlemen and their language not the same? They get up and make speeches inside this house, then you talk to them outside of it and find they have different opinions altogether.

When we get back to the subject of wheat we find that we have had a lot of discussion about wheat and the plight of the farmers in the west. When we first came to Ottawa for this session last fall we had a new crop of C.C.F.'ers fresh from the hustings in Saskatchewan, who had been expounding a theory out there. They had been saying: if you send us down there we will be a voice for you in the parliament of Canada. What a voice they have been! If we read the speeches in *Hansard* of last fall referring to agricultural matters, what do we find? The hon. members opposite preached blue ruin to such an extent that the leader of that party got up the other day and said that was not the situation they wanted to convey. The hon. member for Moose Mountain did a little more work along that line today.

Anyone who is engaged in trade, either personal, national or international, knows that if you want to sell something you advertise it. The type of business you get in return depends upon the kind of advertising you put out. Of course if you advertise that you have so much wheat you do not know what you are going to do with it, the farmers are

broke and have to sell and do not know what they are going to do with this wheat, as has been done by some gentlemen here who are the voice of the farmers in the west, naturally you are going to get results from that advertising. I believe that one of the reasons we are having this debate, and having all the trouble in selling this wheat, is that kind of advertising from those members here.

**Mr. Nicholson:** Why do you not tell that to the Minister of Trade and Commerce?

**Mr. Harrison:** If these members had genuinely wanted to help the western farmers, they would not have put out that kind of advertising.

The system of advertising in ancient days was for peddlers to shout their wares. When one went to London then one did not find these street peddlers selling their wares by saying they were poor quality, or they had such a stock that they despaired of selling it. Everybody knows that a fish peddler does not sell his fish by shouting, "rotten fish!" He will say that the supply is very limited, and that the fish are the very best.

But these gentlemen opposite come down here and shout "rotten fish!" They have done that for several days on several occasions, and now the pigeons have come home to roost. And they are surprised. Well, it is indicated that they think there is some soft-pedalling should be done, with respect to this blue ruin talk, by the remarks the other day by the leader of the C.C.F. party, and those of the hon. member for Moose Mountain.

I was interested in some of the other theories offered by the hon. member for Assiniboia the other night. He said that the government south of the line has a much more progressive policy in handling grain than we have. Of course he was speaking about their subsidy policy. My hon. friend from Rosthern (Mr. Tucker) touched upon that. Then, the hon. member for Assiniboia said that this federal government, the one we have here and the one I have the honour to be a member of—

**Mr. Nicholson:** Since when?

**Mr. Harrison:** —has never done anything about floor prices. Well, I suggest to the house that no other government in this country, except this government, ever did anything about floor prices. And if the farmers in the west are up against the decision of either taking the word of this government that it will stand behind them, or taking the word as set out in the amendment moved by members of the opposition—especially after the demonstration that was given to them as to what their word is worth, and in this very debate, by the hon. member for Assiniboia—well, I think there is not much doubt about where the farmers will stand, and in whom they will have faith.

Certainly we are up against a difficult situation in view of the surpluses in the United States. That very policy that they have in the United States is the cause of our trouble, and I do not think anyone will disagree with that. When that policy was put into effect it was an incentive proposition to persuade the farmers to grow grain, because the supply was short and our allies had to be supplied. At that time it was considered to be a short-term policy. But having caught the tiger by the tail, the administration over there have not been too prone to let it go, because they are getting scratched a little bit while hanging on. And they will get clawed and bitten besides if they let go of it.

I think they have grown over a billion bushels of grain in that country for several years in a row. They have three quarters of a billion on hand now, and they are going to grow another billion this year. Yet they are going to provide an incentive policy down there to have them grow more. Well, I suggest to hon. members opposite, or to anyone else, that if that policy had not been followed across the line we would not be engaged in this debate. This top-heavy surplus was caused by the incentive—and under the conditions when the policy was originated, the incentive was required because the grain was required. But once that grain is available, and they have satisfied their requirements, there is not much use keeping on with that incentive.

Certainly the government over there owes its farmers a living, just as this one does. But I think when it comes down to brass tacks this government will stand behind the western farmer so far as seeing that he gets a fair return for his produce is concerned.

**Mr. McCullough (Moose Mountain):** Does not the hon. member realize that under the present program in the United States the farmer in that country will not lose by that policy?

**Mr. Harrison:** The farmer will not lose by it, no—that is, immediately. But how long will it be before he will lose? The farmer in this country is the one I am interested in, and he is losing by the continuation of that policy over there.

**Mr. Knowles:** Our subamendment seeks to rectify that.

**Mr. Harrison:** I do not want hon. members to get away with the idea that I would not

agree to some form of subsidy for our farmers. I would tell them definitely that that is not my idea, and that is not the idea of this government, either. When floors are required they will be forthcoming from this government, but not under the conditions we have now, not with the surpluses of grain they have in the United States where they have put on an incentive. That will not cure the situation.

**Mr. McCullough (Moose Mountain):** Do you believe in parity prices for farmers?

**Mr. Harrison:** That is the trouble with the situation; the parity price they have over there is unrealistic in the light of the world market. That price might be all right if the world market were at a higher level, but not at the present time. What you want to get rid of is the incentive idea with surpluses of that kind on your hands.

**Mr. McCullough (Moose Mountain):** You are sure getting rid of it.

**Mr. Harrison:** It may not be the kind of thing my hon. friends would go into, because they want to have votes. That is all they are interested in. They are not interested in discussing or facing the facts.

**Mr. Thatcher:** Nonsense.

**Mr. Harrison:** They want votes.

Another one of the dissertations of the hon. member was the proposition that we should tax and spend, tax and spend, and should go in for deficit financing. Well, I wonder if the hon. member for Moose Jaw-Lake Centre goes in for that in his business? I do not think so.

**An hon. Member:** He does not look like it.

**Mr. Campbell:** On a point of order. The hon. member for Assiniboia was quoting Mr. Roosevelt.

**Mr. Harrison:** Mr. Truman, with which he thoroughly agreed, yes. He said he thoroughly agreed with it; and that is just the point. I am glad the hon. member raised the point of order. In other words the hon. member for Assiniboia wants deficit financing in times of prosperity. What are you going to have when times are bad?

**Mr. Castleden:** A Liberal government.

**Mr. Harrison:** It is quite natural to hear that remark from a socialist, that we should have a policy of tax and spend, tax and spend, and that we should go in for deficit financing. Because the whole basis of the socialist theory is to get something from somebody else for nothing—you do not care whether it is from your children or your grandchildren. But so long as it is deficit financing you are not going to pay for it. Your children may pay it after a while; and if they don't, then it will be your grandchildren or your great-grandchildren. Somebody else will be paying it, and you do not have to. That is socialist thinking. I can see where that comes in. And I was not surprised to hear that from the hon. member.

**Mr. Knowles:** Your government has failed to reduce the national debt.

**Mr. Harrison:** This government, since it has been in office, has reduced the national debt right along.

**Some hon. Members:** Oh, oh.

**Mr. MacInnis:** That's a bright one.

**Mr. Harrison:** With the exception of the war years.

**Mr. Castleden:** Oh yes!

**Mr. Harrison:** And that is a horse of a different colour, of course. And nobody else has done any better in any other country. We used to hear a good deal about Australia from our socialist friends, but now we hear more about Great Britain. Well, in Great Britain, when they had their Labour government, they did not do any better nor as well at debt reduction. I hear my hon. friends laugh; they think that is funny.

The fact of the matter is that this government has made some approach toward reducing our debt, and no government that made the stand it did during the war, paid as much as it went along as this one did—and we were engaged in the same war. No other government that was engaged in that war has as good a record as this one has, in the matter of its financing, not even the United States government across the border. And certainly our record since the war is a lot better than the record south of the border. They have been engaged in deficit financing, and I do not think it has got them anywhere, certainly no farther ahead than we have got.

And so, Mr. Speaker, I think those were the main points I wished to make.

**Mr. Thatcher:** What were they, Jack?

**Mr. Harrison:** I am glad the hon. member asked that. He wants to know what they were. One of the main points I wish to make is the reliability and integrity that people can expect from members of that group—and I still except the hon. member who has interrupted; but when he makes interruptions he must expect the answers he receives. That is the main point I wanted to make. That kind of thinking from socialists in all parts of the world is the thing that anybody will agree is causing our troubles internationally and bringing about our dilemma and our not

being able to settle differences, because you have nobody on which you can rely to settle them with.

**Mr. Knowles:** What a tremendous contribution this has been!

**Mr. Harrison:** Thank you, sir; it may not have been as lengthy as some of your own.

**Mr. Nicholson:** The hon. member is for lower prices for wheat.

**Mr. Harrison:** I hear a voice from the wilderness talking about lower prices for wheat. I do not think that I would be advocating lower prices for wheat. I am not defending holding it in the bag, and certainly when it comes to the farmer deciding whether our present Minister of Trade and Commerce (Mr. Howe) will handle our wheat to good advantage, or whether he can rely on the hon. member for Mackenzie (Mr. Nicholson), with his blue ruin talks, to get him a better price he will certainly give the nod by a slight margin to the Minister of Trade and Commerce.

**Mr. G. H. Castleden (Yorkton):** Mr. Speaker, before we grant supply in this house it is a member's right to draw the attention of the government to the difficulties and problems of people in his part of the country. We are availing ourselves of that right at this time by moving that before we go into supply the government, because of the condition of world markets today, should deal with the problem of placing a floor under the price of farmers' wheat.

It is rather to be regretted that government members take this opportunity to drag in a lot of provincial politics. The hon. member for Rosthern (Mr. Tucker) is singing his usual song of remorse over his own failure—

**Mr. Tucker:** On a question of privilege—

**Mr. Castleden:** He went out like a knight in shining armour some years ago to conquer the province of Saskatchewan, and probably that is the cause of his remorse now.

**Mr. Deputy Speaker:** I understand that the hon. member for Rosthern is rising on a question of privilege.

**Mr. Tucker:** Yes. I sat down at least a half a dozen times for hon. members opposite. I would point out that I rose on a question of privilege to ask a question. Apparently the hon. member does not even want to let me correct him. He suggested that I dragged in provincial politics. I said nothing whatsoever about provincial politics. I challenge the hon. member to point to one thing I said. He said I wailed over my failure in Saskatchewan. I challenge him to show one thing I said in regard to that matter.

**Mr. Castleden:** I was referring to your wailing voice, sorrow, regret and remorse hurled across the house, and the same goes for the hon. member for Meadow Lake (Mr. Harrison).

**Some hon. Members:** Pretty weak.

**Mr. Castleden:** Such knowledge and such insight, such an understanding of the people of Saskatchewan came from him. It was rather surprising that he did not do better while he was out there. He tried to build up a case for himself, and when he shouts his loudest you always know he has the weakest case. When he tries to say that the members of this party, the C.C.F., are in any way attacking or not supporting the Canadian wheat board, then he knows in his own heart that what he is trying to say is not right.

**Mr. Tucker:** On a question of privilege.

**Mr. Castleden:** Not only have we supported the wheat board, we have—

**Mr. Tucker:** On a question of privilege, Mr. Speaker.

**Mr. Deputy Speaker:** Order.

**Mr. Tucker:** The hon. member has no right to say that I said something I did not believe. I believe that when they say what they have about the failure to market our wheat properly, they are attacking the wheat board. I believe it.

**Mr. Castleden:** This party has always supported the wheat board.

**Mr. Tucker:** Hon. members opposite are very anxious to have the hon. member for Meadow Lake withdraw something that is not as bad by far as what was just said by the hon. member. He said that I said something that in my own heart I did not believe. I ask that he be asked to withdraw that in an unqualified way.

**Mr. Castleden:** Mr. Speaker, what I said was this. When the hon. member tries to say that this party not only did not support the wheat board but attacked it, it is wrong. He knows we have never attacked the wheat board. We have always—

**Mr. Tucker:** That is not what the hon. member said. He cannot twist and squirm out of it. He said that I said something that in my own heart I did not believe. I ask that he be directed to withdraw that, Mr. Speaker.

**Mr. Deputy Speaker:** If the hon. member made the remark which the hon. member for Rosthern has said he did, of course he must withdraw it.

**Mr. Castleden:** The remark which I used, Mr. Speaker, was—

**Some hon. Members:** Withdraw like a man.

**Mr. Castleden:** He knows the record of the C.C.F. party has always been in support of the wheat board. We support it; we always have supported it and we never attacked it.

**Some hon. Members:** Withdraw.

**Mr. Castleden:** He tried to imply we did. We did not.

**Mr. Tucker:** The hon. gentleman is twisting and squirming. I am not surprised in view of the past attitude, but I do ask that you make him withdraw that statement. I suffered enough smears from people opposite and I am not going to stand for it in this house.

**Mr. Knowles:** Smear away.

**Mr. Castleden:** The record stands.

**Mr. Tucker:** I ask the hon. member to withdraw.

**Mr. Castleden:** The record stands exactly as I said it.

**Mr. Tucker:** I had enough smears from the people opposite. Again I say I do not accept it.

**Mr. Deputy Speaker:** If the hon. member implied that the hon. member for Rosthern said something which he did not believe, then the hon. member for Yorkton realizes that he must withdraw, and I ask him to do so immediately.

**Mr. Castleden:** Of course I would, Mr. Speaker. The record stands and what I said can easily be read in the record. It will be seen that our record stands just as clear as what I have said.

**Mr. Pouliot:** Withdraw and don't repeat it.

**Mr. Castleden:** Another statement which the hon. member for Rosthern did not quote quite correctly was the statement that the Minister of Trade and Commerce gave to us with regard to the position of Canada's wheat. Here are the actual words of the Minister of Trade and Commerce as recorded on page 5746 of *Hansard:*

> If you expect to sell in a competitive world, the price must be competitive with prices offered by other countries.
>
> [Mr. Tucker.]

He said nothing there about protecting others. He goes on:

> That, I think, is the situation today.

That is taken directly from the record. That statement of the situation causes apprehension among the grain growers in the prairie provinces. There is the statement without reservation that prices can go to the very bottom, and still there is nothing in the way of floor prices to protect those grain growers.

Since this house opened last November we have been telling the minister and the cabinet that a very serious economic situation was developing in the west.

**Mr. Howe (Port Arthur):** And the minister of finance in Saskatchewan has been telling the world the opposite.

**Mr. Castleden:** Does the minister mean to say that there is no serious economic problem in the west?

**Mr. Howe (Port Arthur):** I am just giving the two stories, yours and that of the minister of finance in Saskatchewan.

**Mr. Castleden:** Then there is no serious economic situation developing?

**Mr. Howe (Port Arthur):** I will let you choose.

**Mr. Castleden:** I say that a serious economic situation is developing, and it has been developing for some time. It is the same across the whole of Canada. It is not true of Saskatchewan alone. It is true of Manitoba and Alberta and the figures already prove it. The next few months will prove it even worse.

**Some hon. Members:** More blue ruin.

**Mr. Tucker:** You have been predicting that for ten years.

**Mr. Pouliot:** Tune your violin.

**Mr. Castleden:** You were out there for five of them; you know all about that. Under a Liberal set-up today the western grain growers, as compared with last year, have not only been curtailed in their deliveries, they have delivered 170 million bushels of grain less than last year. The reason for the apprehension in the west is that in the face of a drop in prices the farmer sees no possibility of reducing his cost of production along with that, and he is being caught short. We are merely asking that the government do something to protect those farmers from going into a complete collapse, and to stop prices from hitting the bottom.

Ever since last November we have been told that the situation was all right; that we

will do as well as we did last year; that we are above the 20-year average or the 10-year average. That situation has developed until the point is reached where the people here, who are trying to say that everything is all right, really believe it themselves. The minister's attitude can best be likened to that of a chap who sees someone falling out of a 30-storey window and when he had just passed the 20th storey window the watcher says: "What is he hollering about? He is all right so far."

**Mr. Gour (Russell):** That is a baby story.

**Mr. Castleden:** We are asking the minister and the government to place a floor under the price of wheat so as to prevent western agriculture from hitting the bottom with the resulting collapse not only of the economy in the west but of the entire economy of Canada.

The wheat producers have done their job. We believe the Canadian wheat board has done its job. It is the policies within the government which make it impossible for the wheat board to carry out the task of maintaining prices. The producers must depend upon the policies of the federal Department of Trade and Commerce, and they have to try to maintain markets in other countries and sell their goods at a proper price regardless of the fact that Canada is a high priced economy. I know that that is difficult in view of the high prices of goods produced in Canada today. It is not this 10-cent drop in the price of wheat which bothers us, it is the situation behind that and what it implies.

The producers are entitled to some form of security and this amendment asks for that. If a price war starts the producers will be facing a very serious situation indeed. They are perturbed about how far the price is going to be cut. The minister says, "Well, we live in a competitive world and we have to meet that competitive price." But our neighbour to the south does not require the producers there to face that danger. The farmers there are guaranteed a pretty high floor under a government subsidy. We think the Canadian producer is entitled to something. We do not ask for $2.21 a bushel, but we do ask for enough to be paid so that the producer will be kept in business and so that he can continue his operations. That is the reason for our amendment.

The minister is well aware that there is a very critical situation with regard to delivery and ready cash in the west. That problem does not face the farmer in the U.S.A. The prairie farmer today is facing not only a situation of abundant crops, and lower prices, he is also facing the fact that within 90 days he may be harvesting another crop. If there is no floor price and no assurance today that in another 90 days when he begins to harvest his crop it will pay him to do so, then he is obviously in a serious predicament. Can there not be some floor price under these commodities? The purpose of this amendment is quite clear. We want a floor price so that the farmer can have some assurance that it will be worth his while to continue his production and so that he can plan his production in regard to that price.

The situation in the west is severe. There is not only the matter of production, but there is also the matter of distribution and the matter of storing the crop he has already sown. The farmers in the west deserve to have a guarantee of some form of security.

The other day the Minister of Trade and Commerce said something which caused some concern among hon. members here, namely, as to what could be done with regard to the disposition of the wheat. He said, as reported at page 5749 of *Hansard:*

> Now, there is another fallacy, namely, that there are millions of starving people in this world who would be glad to get the wheat if someone gave it to them. I wish people who make that statement would just tell me where those people are and how we can get the wheat to them.

Later, he added:

> I wish my hon. friend and other hon. members of this house who keep referring to the fact that there are starving peoples who would be glad to take large quantities of surplus wheat if we were willing to give it away would just remember these facts.

I do not know the minister's source of information but, according to the food and agriculture organization, a branch of the United Nations, which has at its disposal some of the finest experts in the world who have made a study of this problem, there are more than a billion people in the world today who require food and do not have enough. Surely the minister is aware that there is need for food in the world today and that that food should be delivered to those who need it.

In western Canada during the past eight years we have enjoyed a period of general expansion and prosperity. The farmer's income has been high and we recognize that. But along with his expanding income the cost of production has been expanding at an even greater rate. The cost of everything which goes into production has increased in price until today the farmers' margin is much less than it was a few years ago.

The tragedy of the situation today is not so much the drop in price but the fact that if a serious drop in price occurs today the farmers' losses can be terrific because of the terrifically high cost of production. That is

the reason for the very urgent demand on the part of the grain growers that a floor price be placed under the farmers' commodities so that they can be guaranteed something and the loss will not wipe them out.

If there is no floor price under these commodities then the farmers of western Canada will be placed in the same position as that of many of the fishermen in the maritimes when there was no market for their fish. They will be in the same position as the Cape Breton coal miners who now find the coal mines closing down and oil being substituted. They will find themselves in exactly the same position as the workers in the farm implement plants who are now laid off, and in exactly the same position as the automobile workers who are facing a substantial reduction in plant staff, which has increased Canada's unemployed ranks to a very critical point. The farmer has no unemployment insurance.

The Canadian producer requires some basic security and if he can get it he will continue his purchases with regard to farm machinery and the plants will continue to operate. They ask this government to consider a floor price and to maintain that price on the basis of the price maintained by the wheat board as of June 4. If that is done it will restore some faith to the producer of wheat, and guarantee some security to the entire Canadian economy. More important it will bolster up the purchasing power of all Canadians and greatly improve the situation. If that is not done then in this peacetime competitive world about which the minister speaks, thousands of producers will be wiped out in western Canada and that will reduce the western economy to niggardly existence, lower the standard of living will result, and the purchasing power of the entire nation will be affected. The economic effect of this will cause distress and trouble in every part of Canada.

The choice rests with the cabinet. On behalf of those people in the west who are undertaking the production of food and to save them from what can be economic disaster I would ask the government to make this choice immediately and assist those who face this very serious and critical situation.

**Mr. Deputy Speaker:** It being five o'clock the house will now proceed to a consideration of private and public bills.

## PRIVATE BILLS

On the order:

House in committee on Bill No. 472 (Letter N-15 of the Senate), intituled: "An act to incorporate Canadian Slovak League". (Without amendment).—Mr. Reinke.

[Mr. Castleden.]

**Mr. Deputy Speaker:** On the order paper there is this bill and a number of divorce bills. Is it agreeable to the house that these bills be considered in one motion?

**Mr. Knowles:** Mr. Speaker, we have no objection to the house going into committee on these bills on the one motion, provided it is understood that when we get into committee we shall deal with the bills separately.

**Mr. Deputy Speaker:** Is it agreed that I do now leave the chair for the house to resolve itself into committee of the whole on these bills?

**Some hon. Members:** Agreed.

### CANADIAN SLOVAK LEAGUE

The house in committee on Bill No. 472, to incorporate Canadian Slovak League—Mr. Reinke—Mr. Applewhaite in the chair.

On clause 1—*Incorporation.*

**Mr. Knowles:** I wonder whether the sponsor of the bill would not like to have this opportunity of saying a few words about it? He did not have that opportunity on second reading.

**Mr. Reinke:** Mr. Chairman, in order to bring hon. members up to date and to give an explanation of what this bill is about possibly I might briefly explain the background of the Canadian Slovak League. It was founded in Winnipeg in 1932 and received its letters patent from the Secretary of State of Canada in April, 1934 and acquired the usual corporate powers that an organization of that type would acquire. The Canadian Slovak League was set up as a social and a cultural organization. I could possibly read some of the aims as outlined in the letters patent but I shall not unless hon. members would like me to do so. There are some 57 adult branches spread across Canada from one coast to the other. In all there are probably in the neighbourhood of 3,800 adults and possibly 700 junior members of the society.

This bill corresponds with similar bills which the House of Commons has already passed. The head office will be at Fort William, Ontario. It is to be a fraternal benefit society so incorporated as to have the power to create an insurance fund and a department for the aid of its members and dependents and to undertake with its members a contract or contracts of life, disability and sickness insurance as well as to provide for the investment of the funds of the said society and to define the rights of members of such society, all of which is to be for the benefit and protection of its members.

It is because it proposes to exercise these special powers that it is necessary to come to parliament and to ask for the corporate rights under this bill. The proposals which the bill contains as to membership, management, directors and bylaws have satisfied the superintendent of insurance but until the actual bylaws are approved the superintendent, of course, will not allow the society to engage in business. I understand the superintendent of insurance also has approved the provisions of the bill with reference to the maintenance of a general fund, and such matters as premiums, assessments, disposition of surplus assets and so on. I am further informed that the superintendent of insurance has been supplied with an actuarial report on the financial position of the society and that the report is satisfactory.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Objects of the society.*

**Mr. Regier:** Mr. Chairman, I am sorry that I was not at the banking and commerce committee meeting at which, I understand, this bill was considered. Paragraph (c) of subsection 2 of clause 4 reads as follows:

(c) A juvenile insurance fund for providing death or endowment benefits in respect of any child, or any child under the guardianship, of any member.

I have noticed within the last several years that the regular life insurance companies are not particularly happy about writing death insurance policies for young children. I am just a little bit worried whether it is wise to have this authority granted to any benevolent society. Some recognition is being granted by most insurance companies to the proposition that some measure of death benefit, even for a child, may serve a useful purpose because even for a child there are unexpected last expenses such as funeral expenses and so on. However, I think the practice now is that insurance companies have a maximum which they have voluntarily set for themselves and that they will not accept death payment policies on behalf of minors over and beyond a certain limit. Here no limit is set or stipulated. I hope that the management of the society will bear that tendency in mind and that they will, in their regulations, definitely follow the practice that is now being followed by the life insurance companies.

**Mr. Reinke:** I might inform the hon. member that when this bill was discussed in the committee in the presence of the superintendent of insurance the particular matter referred to by the hon. member came up for discussion. The superintendent was quite satisfied that under the provisions of the bylaws this matter would be taken care of and that it would be administered in the same manner as it is administered by insurance companies. As the matter is handled by insurance companies, I believe the maximum for a child of one year or under is $100 and that it ranges from there on up to the age of ten years, at which time they are able to procure $1,000. As I said, I believe the superintendent was quite satisfied that this provision would be handled in the same manner.

Clause agreed to.

On clause 5—*Members.*

**Mr. Cameron (Nanaimo):** I must apologize first of all, Mr. Chairman, for not having been at the meeting of the banking and commerce committee which discussed this bill. Had I been there I would have raised the point that I am now going to raise with regard to section 5. In this section I notice that there is a definition of the persons who are eligible to join this particular association. Surely it must be unique in Canadian legislation that we should provide for the formation of a body, the members of which are to be loyal to the Christian and democratic traditions of another nation. I do not quite know what that means. For instance, I do not know what are the Christian and democratic traditions of the Slovak nation, and I doubt whether many members of this committee know what they are. Most of the members are, I imagine, in the position that I am in. We know of the Czechoslovakian nation which disappeared, first of all, under the impact of nazism and which was later reconstituted to disappear later under the impact of communism. We know of a previous development in the Slovakian part of Czechoslovakia under a rather notorious individual known as Tizo, if I remember rightly, heading a pro-fascist organization.

What I am afraid of is that, in the first place, this parliament of Canada is giving official recognition to a divided loyalty on the part of residents in Canada. In the second place, we may be doing something else. I have an uneasy suspicion that here we have provision being made for what, shall I say, is the other side of the coin of totalitarian communism and that we are providing a battleground within Canada for an ideological and a nationalistic struggle between two groups of people who should, in all common sense and in all decency, be far more concerned with becoming effective members of the Canadian community.

It has been said of course, and said quite rightly, that our philosophy in Canada in regard to the absorption of other peoples has been that of unity in diversity, that we have attempted to provide every opportunity for the various ethnic groups who make up our population to maintain their own cultural characteristics and to make their contribution to the Canadian community on the basis of their cultural diversity. But I think that the implication might be taken from this that it goes beyond that, that we are giving our blessing to a sort of conditional loyalty to the Canadian community and the Canadian idea.

I realize of course that it is much easier for a member of the English or French speaking groups in Canada to adopt the attitude I am now adopting. I realize that for those who belong to ethnic minorities there must be a very great temptation to constitute a little enclave of their own language and ethnical group in Canada, but I do not think the parliament of Canada should condone that sort of development in our community. In fact I think it is not too much to say that we have in the past condoned far too much of that in Canada and that many of our social troubles within the Dominion of Canada have resulted from far too lackadaisical an outlook on this question of people coming to Canada and not fully absorbing the Canadian point of view and the Canadian approach.

I would specifically register my very strong objection to this Canadian parliament endorsing words in a piece of Canadian legislation by which we are to recognize that persons who are residents at least, if not citizens of Canada, are to have the right to be loyal to the traditions of another nation which is specifically set out in the legislation. Certainly the only purposes in this legislation that we can condone are quite well fulfilled in the first words of that particular section, "only persons deemed by the society to be loyal to the free institutions of Canada". That will, I think, quite effectively rule out those people who they may fear might try to join their organization, people who might be prepared to act as the agents of communist organizations abroad. I think if they insist that they be loyal to the free institutions of Canada that is all that this parliament should be prepared to assist them to do. It is no business of this parliament to promote loyalty to any other institutions, to any other democratic traditions, to any other nationalistic traditions. Our duty is confined to ensuring loyalty to Canadian traditions and to Canadian institutions.

[Mr. Cameron (Nanaimo).]

**Mr. Reinke:** Section 5 reads as follows:

> Only persons deemed by the society to be loyal to the free institutions of Canada and to the Christian and democratic traditions of the Slovak nation—

Actually the purpose of this wording is to give the association the right to choose its membership. There have been various approaches to the same type of authority to choose membership. In some cases the marginal notes, while they mean the same, are actually different. For instance, I have a bill before me where the marginal note is "powers of association". Another one is "qualification for membership". Another uses the word "members" and another "control of society". It is my understanding that in several of these bills the language generally has been to this effect, and I am now reading from a bill to incorporate the Sons of Scotland Benevolent Association as passed by the Senate in March, 1937. The section there reads in this way:

> Only persons deemed by the association to be of Scottish origin . . . shall be admitted as members of the association . . .

That is an excerpt from a bill passed by the Senate in 1937 and it refers to persons "only of Scottish origin".

**Mr. Knowles:** That is pretty broad.

**Mr. Cameron (Nanaimo):** That is a different matter. That is the matter of origin.

**Mr. Reinke:** Actually the clause in the present bill has reference to origin as well as Christian and democratic traditions and loyalty to Canada. That is the full meaning of that clause. I might point out to hon. members that I have some other examples here. For instance, I have here an act to incorporate the St. Nicholas Mutual Benefit Association. Under "control of society" it is stated that only persons considered by the society to be of Ukrainian origin and who are of the Greek Catholic faith in communion with the Holy See of Rome shall be admitted as members of the society.

**Mr. Cameron (Nanaimo):** That is quite different.

**Mr. Reinke:** I cannot agree with my hon. friend on that score. I suppose no fault can be found with the reference in the bill before us to persons deemed to be loyal to the Christian and democratic traditions and, as I have pointed out, the reference to the Slovak nation merely refers to the fact that only those persons who are deemed to be of Slovak origin will be admitted.

**Mr. Cameron (Nanaimo):** I would submit that is what it should say. My fears have

not been allayed by what the hon. member has said just now, and I am very much afraid that the yardstick that is going to be used by this society is not the yardstick of devotion to the democratic ideals of Canada, which is the only thing this house should be concerned with, but the yardstick of the devotion of these people to some organization or group in Europe holding we do not know what concepts of democracy, holding perhaps some rather dubious concepts from our point of view. I suggest there is no justification for putting that in here at all and that the only purpose of it can be to separate, from the point of view of this society, the sheep from the goats. The only way in which we as the parliament of Canada can justify the separation of the sheep from the goats in this way is by deciding that it should be confined to people who are loyal to the free institutions of Canada, and I think we should confine ourselves to that. I should like to see the sponsor of the bill agree to the deletion of the reference to the traditions of the Slovak nation.

**Mr. MacInnis:** Mr. Chairman, the sponsor of the bill quoted from a bill passed by the Senate some years ago incorporating a Scottish society, but what he quoted is altogether different from what is contained in this bill. He referred also to another bill, but what he quoted from both bills in support of what is in this bill has no relation to what is in this bill at all. I do not believe there would be any objection to having this read something like this: "Only persons deemed by the society to be loyal to the free institutions of Canada and of Slovak origin." That is what is in the other bill. It refers to people of Scottish origin. It does not say they have to be loyal to Scotland before they can become a member of that society.

**Mr. Knowles:** Does one have to eat haggis?

**Mr. MacInnis:** That is a test on which my friend would be rejected right away, but it is not provided for in the bill. I think the hon. member would be well advised to make it read "of Slovak origin" and leave all the rest out.

**Mr. Harris:** Mr. Chairman, it is not often that I disagree with the hon. member for Vancouver-Kingsway but I think I should on this occasion, and with everything that has been said about the words in this clause. I have had a good deal to do with ethnic groups in the past four and a half years, and as members of the committee know there are ethnic groups and ethnic groups. Some of them are in the hands of the communists. Thank goodness, practically all of them are not. If there is one thing in common that they have, it is that they are grateful to this country for the right of living here. They want to have a democracy here such as we have here and they are inclined to hope that the best traditions of their homeland can be transplanted here by their own actions.

Indeed they incline to the belief, perhaps we may say without too much foundation, that conditions in their homeland for their relatives are as democratic as they are here. If they cannot believe that, they at least hope that some day that will be so. When an ethnic group such as the Slovak league wishes to incorporate in its letters patent the best in their homeland, the Christian and democratic principles, whatever they may have been according to our standards, I would urge hon. members to agree to let them have that hope and to maintain those aspirations rather than to discard what to them may be valuable and may be a link with the homeland. Those words to the Slovak union mean those things that were best at home and as comparable as possible to our own. I find no offence whatever in those words.

I do not admit, as the hon. member for Nanaimo seems to believe, that there is a divided loyalty here.

There are, in fact, two loyalties but they are not divided. The loyalty, as I understand it, in the opening words is a loyalty to the free institutions of Canada. In other words, a person who belongs to this organization must begin by having that loyalty, and must also have a loyalty to the best that was in the Slovak nation, according to the interpretation that can be placed upon it by the directors of this organization, I presume. Now, that is not excluding anything in Canada. It is taking the best in Canada and trying to add to it the best of their traditions and free institutions. I hope hon. members will look upon it in that light rather than in the other way that has been mentioned.

**Mr. Croll:** I believe the matters raised by the hon. member for Nanaimo are interesting but not unique. There is no question of dual loyalty or partial loyalty. It is quite decidedly an undivided loyalty. I think we have to read section 4 (1) (b) of the bill which says:

> The society may,
> (b) promote, on the basis of Christian and democratic principles, good citizenship and loyalty to the free institutions of Canada, by educating and instructing the members of the society in the history, constitution and government of Canada;

Surely, there can be no question about dual loyalty under section 4 (1) (b). There was an act to incorporate the Ukrainian Fraternal Society in Canada, which was assented to on

July 24, 1943 and is chapter 39 of 7 George VI. It was a similar sort of society, and section 5 reads:

> Only persons deemed by the society to be of Ukrainian origin . . . shall be admitted as members of the society:

There was a proviso in that bill which makes an impact upon this bill. One of the powers was set out in section 4 as follows:

> (c) To cultivate among the members of the society fond recollections of the Ukraine, and to promote their instruction and education in its history, literature, music, arts, traditions, customs and amusements;

These people may very well have used the word "traditions" as the term was used in the act I have just quoted. Surely when people consider the words "Christian" and "democracy" as synonymous terms, and use them in that sense, this House of Commons will understand their feeling and will meet their request to carry out their intention.

**Mr. McIvor:** Hon. members will notice under clause 2 of the bill the headquarters of the Canadian Slovak League is in Fort William; that means something. I know the Canadian Slovak League in Fort William, and they are conspicuous for their outstanding help to any members of their organization who are out of work, sick or in distress. In my opinion, they practise the Christian program, and because the headquarters of the organization is in Fort William Canada should know there is no more loyal spot in Canada than Fort William. Any society that is not loyal will have a hot time.

**Mr. Cameron (Nanaimo):** I would point out to the hon. member for Spadina what I am sure he does not need pointed out to him, that his argument was not a very cogent argument. It is quite absurd to quote a provision for selection on the basis of ethnic origin and compare it with selection on the basis of political opinions, which is what this clause calls for—

**Mr. Harris:** No, no.

**Mr. Cameron (Nanaimo):** It certainly does. When you speak of democratic institutions, you are making a selection on a political basis, which is entirely different from the question of origin. I would have no objection at all if this section called for the selection on the basis, not only of ethnic origin but on the basis of red-headed Slovaks or cross-eyed Slovaks or any other type of Slovak, because that would be purely a matter for the decision of this society. But when you make a selection on a political basis, and that is what this is, they are only going to select people who have a particular political point of view. There is only one political point of view that we can condone here and that is that of Canadian institutions—

**Mr. Reinke:** Free institutions.

**Mr. Cameron (Nanaimo):** No, not free institutions as they are described in other parts of the world. If you look at the constitution of the Soviet union, you will find it full of references to freedom. In fact every one of these totalitarian nations make great boasts of their free societies, their free peoples' democracies. There is only one definition of freedom and free institutions that we as the parliament of Canada can accept and that is the free Canadian institution.

I say to you, Mr. Chairman, that if this were put in there in any other way except inadvertently, then it is important we should look into it very seriously. I really believe it was put in inadvertently, and they should admit it. I do not like to see the Canadian parliament condoning in express terms a loyalty to other definitions of freedom than that comprised in the Canadian outlook, and that is what this does. I do not know, and neither does the Minister of Citizenship and Immigration, what is the concept of freedom of Slovaks in Europe? What is their concept of free institutions?

**Mr. Reinke:** It does not say Europe; it says the free institutions of Canada.

**Mr. Cameron (Nanaimo):** It does not.

**Mr. Reinke:** Well, read it.

**Mr. Cameron (Nanaimo):** It says:

> Only persons deemed by the society to be loyal to the free institutions of Canada and to the Christian and democratic traditions of the Slovak nation,—

I suggest that the hon. member and the Minister of Citizenship and Immigration have no idea at all, nor can they tell this House of Commons, what are the democratic traditions of the Slovak nation. They cannot define them for us, because they do not know them.

**Mr. Reinke:** Can you define "Christian"?

**Mr. Cameron (Nanaimo):** No, but I have a good idea of the traditions of a Canadian with regard to freedom, and that is all I am concerned with as a member of the Canadian parliament. I challenge the Minister of Citizenship and Immigration to tell us what are the free traditions of the Slovak nation. What are they?

**Mr. Harris:** I gather that my hon. friend from Nanaimo is trying to read into this bill a good deal that is not there. For example, he spoke first of a political decision here as to membership. Surely if he thinks about it for a moment he will realize that

this organization cannot be accused of using democracy as a word in the same sense as they do in the Soviet constitution.

**An hon. Member:** How do you know?

**Mr. Harris:** I can assure you that the league is not of that kind, and that if it were it would not be sponsored here.

**Mr. Cameron (Nanaimo):** We are not speaking about the league, we are speaking about the Slovak nation.

**Mr. Harris:** I will come to that. You have here a group of people seeking to be incorporated, and they are using words in their Canadian sense. They are not using words in their Russian sense, at least so far as "democracy" is concerned. If these words have any political connotation at all—and I do not agree that they have—they would be the best means of refusing membership to a communist that I can think of. And unless the hon. member for Nanaimo were to put an express ban against communists as such, or Labour-Progressive party members as such, I do not think he could find better words to bar them than those in this clause.

However I do not agree that that is the purpose behind these particular words. These words "Christian and democratic traditions" are the ordinary words used by all ethnic groups in Canada to mean one thing, and that is the Canadian way of life, with the best traditions of their homeland. That is the sense in which the words are used.

**Mr. Cavers:** Mr. Chairman, I take part in the debate only because of my close association with the branch of the Canadian Slovak League established in St. Catharines. Reference has been made here today to the fact that they might not be loyal to Canadian institutions. In my experience I have found that statement is not correct. I think it is proper that these ethnic groups which come from Europe should bring with them the various crafts, sciences and abilities that they have acquired at home. They have many high qualifications for citizenship which they bring with them. I expect them to have a high degree of loyalty to all Canadian institutions—and they have shown this sense of responsibility. For that reason I believe that many fine citizens who have come to this country and have had good success in business should have the right to incorporate their own Canadian Slovak League to carry on the type of insurance business proposed in the bill.

**Mr. Knowles:** Mr. Chairman, first of all I think it should be made perfectly clear that no one who has taken part in this debate has expressed any reflection upon the loyalty to Canada or the loyalty to the free institutions of Canada entertained by these people. Too many of us in the House of Commons have connections with them to have any doubts on that score. I think too, Mr. Chairman, it should be said that we all appreciate and agree with the interpretation placed upon these words by the Minister of Citizenship and Immigration. We recognize that what these people want is to make clear their loyalty to Canada, and to associate with that loyalty the desire to carry forward the best in their own traditions and in their own history.

But it has been made clear time and again that what counts in law is not the interpretation this or that member in the House of Commons may place upon legislation; it is not what is said on the floor of the house that counts, but rather the actual words enacted by parliament. In this instance we are being asked to enact a section which suggests that membership should be open only to those who have (a) loyalty to the free institutions of Canada and (b) loyalty to the Christian and democratic traditions of the Slovak nation.

As other hon. members have said, definitions of "Christian traditions" and definitions of "democratic institutions" vary from one person to another and from one group to another. In this case both those traditions are tied to these words, "the Slovak nation". Well, I do not just know where the Slovak nation is at the present time; it does not exist as a separate nation. If one thinks of part of Czechoslovakia as being the geographical area referred to and as being the historical homeland of these people, then one must face the fact that at the present time that area is under a communist government.

Communist governments talk about their traditions of democratic freedom. There is no doubt that the people named in clause 1 of the bill, the people who have been carrying on this society for many years and who now seek this charter, think of democratic traditions in a quite different vein than is the case with the so-called democratic traditions of that part of Europe at the present time. But if this language is carried forward, then surely one can envisage the possibility of the day coming when people in charge of this society might have a different approach, and might be able to use these very words to exclude certain people or to admit certain others. I submit that we are not splitting hairs here, but are asking for something that we have a right to ask when we suggest that this clause should not carry

a reference to loyalty to certain traditions attaching to a particular nation outside of Canada.

I was pleased to hear the references made by the hon. member for Spadina and the hon. member for Hamilton South when they read from certain other acts. I thought it interesting to listen to those references, and I think they should consider recommending the same language back to those who have requested the passing of this bill. Indeed, I suggest—

**Mr. Croll:** I will amend it now, if you sit down.

**Mr. Knowles:** Good; I shall sit down.

**Mr. MacNaught:** The hon. member sponsoring the bill has asked me to propose the following amendment:

That clause 5 of the bill be amended by striking out the first three lines thereof down to and including the words "Slovak nation" and substituting therefor:

"Only persons deemed by the society to be of Slovak origin and loyal to the free institutions of Canada and Christian and democratic traditions."

**Mr. Philpott:** Mr. Chairman, just before the amendment carries I wish to say a few words with reference to the statement made by the hon. member for Nanaimo regarding the great allied statesman, President Tito of Yugoslavia. I have no remarks to make on this particular bill. It seems to me that this amendment strengthens the bill which was introduced in the beginning, but I do think it would be a crying shame if the belittling remark made about the leader of a great friendly nation, whose friendship is being so cultivated by the British commonwealth, President Tito—did I misunderstand my hon. friend?

**Mr. Cameron (Nanaimo):** I think the hon. member for Vancouver South misunderstood my reference. It was not to Tito of Yugoslavia; it was to another person, Father Tizo, you recall, who arose in Czechoslovakia.

**Mr. Philpott:** Thank you very much; as I heard it over on this side it was "Tito". I was astonished with my hearing, and I am delighted that there is no reflection on President Tito.

**Mr. Weselak:** I have only a brief remark to make here. I do not think there is any divided loyalty here. The reference to "Christian and democratic traditions of the Slovak nation" refers only to the traditions and not to loyalty to the Slovak nation as such. I should like to say that I do not think there is any doubt in the Slovak mind as to what is meant by reference to Christian and democratic traditions. Before the Slovak nations were overrun by the communists they did have Christian and democratic governments, and I do not think there is any question in the Slovak mind as to which of the Slovak people have Christian and democratic traditions. I do not think that that particular paragraph will raise any problem of interpretation among the Slovak people. These are the only remarks I wanted to make.

**Mr. Regier:** I am very pleased to see that the sponsor of this bill has introduced this amendment. I should like to point out that these organizations come to individual members of parliament and ask them to act as sponsors. I hope that this amendment is in line with what is wanted by the executive officers of the society. I noticed that the previous wording would enable the society to grant membership to people who were not of Slovak origin. The amendment now makes it perfectly clear that the society may grant membership only to people who are of Slovak origin. If that is the wish of the directors I am perfectly happy. However, as the wording was originally—and it may have been deliberately worded that way—it was in order for the society from time to time to give membership to some particular individual who had rendered valuable service to this society or to others.

**Mr. Nicholson:** An important point was raised by the hon. member for Burnaby-Coquitlam. Will the sponsor comment on it?

**Mr. Reinke:** I have consulted with the members of the Slovak league on this matter and I told them that possibly I may have to amend this bill. They told me that they concurred in the amendment as I had outlined it to them which I had my hon. friend present to the house. Therefore I believe they are quite satisfied with the amendment as it is. Actually, there is no change in so far as the intent or the meaning of this clause is concerned other than in the explanation. I am quite willing to go along with it, and they are too, and that is to strike out the word "nation". That is the one word which seems to be on everyone's mind. Actually the clause as it originally stood said:

only persons deemed by the society to be loyal to the free institutions of Canada.

And so on. The amendment is:

only persons deemed by the society to be of Slovak origin.

It is the same thing, and that wording is quite satisfactory, I am sure, to the sponsors of this bill.

Amendment agreed to.

Clause as amended agreed to.

Clause 6 agreed to.

On clause 7—*Management.*

**Mr. Regier:** I notice that the affairs of this society are to be managed in this way:

The affairs of the society shall be managed by a board of directors which shall be known as the central assembly and which shall consist of the president, the vice-president, the secretary, the treasurer, the recording secretary, the elder junior branch and five auditors or overseers.

It seems to me a bit odd to have five auditors as members of a board being responsible for management. In most constitutions or bylaws of this sort that I have seen the matter of auditors is attended to by means of a separate sentence saying that the five auditors shall be elected at the annual meeting, or something to that effect. It is very odd to have five members of the board of directors auditing their own financial statements.

**Mr. Reinke:** I think the intent of that clause really is in the words "and five auditors or overseers". The fact is that they are more or less a board of directors rather than auditors. In a true sense of the word they are auditors, but not in the sense that they are chartered accountants or something of that sort. They are actually overseers rather than auditors. Aside from that fact, I am assured that the superintendent of insurance is quite satisfied with the provisions of the clauses contained in this bill.

**Mr. Regier:** I wish I could be a little happier about the statement just made that the superintendent of insurance is perfectly happy about this because it says very definitely that the affairs shall be managed by a board of directors, and it lists them, and then it adds to the board of directors five auditors. I again submit with all due respect that I doubt very much whether this will pass the scrutiny of the superintendent of insurance.

**Mr. MacInnis:** I do not want to disagree with my colleague from Burnaby-Coquitlam, but do not the words "or overseers" give a different meaning to the word "auditors". It is not the same meaning as we give to people who audit the accounts. It is something associated with management rather than with auditing.

**Mr. Reinke:** That is right.

Clause agreed to.

Clauses 8 to 12 inclusive agreed to.

On clause 13—*Ownership, control and non-disposition of property.*

**Mr. Regier:** Subclause 2 says:

No property of the society shall, under any circumstances, pass into the private ownership of any member or members of the society as an individual or individuals, but all such property shall be and always remain—

And so on. I assume that that is for the protection of the society as a whole to prevent any misuse of funds or otherwise that people may hold in the society, and thereby any member who has any influence with the board being able to take undue advantage of the membership as a whole by obtaining title to some of the real estate. I am wondering whether that is possible. The subclause goes on:

—but all such property shall be and always remain the property and estate of the society as a whole.

This clause seems to me to be one that would likely severely handicap any management with respect to real estate that they may hold from time to time. It says that it shall always remain the property and the estate of the society as a whole. Does that indicate that the society will never be able to sell any real estate or any lot it may happen to own?

**Mr. Reinke:** No, it does not say that. It merely says that all such property shall be and always remain the property of the society. The intent here is clearly defined; that the property belongs to the society so long as the property is in existence, you might say. In other words, it does not preclude or does not exclude the fact that the society can sell the property. It does not mention anything about the property. As long as it is owned by the society then the society owns it.

Clause agreed to.

Clauses 14 to 16 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

FRANCIS WALSH

The house in committee on Bill No. 449, for the relief of Francis Walsh—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** Mr. Chairman, before clause 1 of this bill carries there are a few words I should like to say. Like a great many of these divorce bills that come before this house this is one which involves a rather tragic story, and a number of elements which I shall refrain from relating on the floor of this house.

I do think, however, that we should take a moment to realize the kind of job we in this parliament are being asked to do. We are here as members of this House of Commons, with members of the other place, to

pass laws for the general well-being of the people of Canada as a whole, but now we are called upon to use all of our parliamentary machinery for the relief of one individual. That is not to deny the importance of any individual who may be faced with a problem such as this, but I would point out that it was recognized many years ago in the United Kingdom that that was not the function of parliament and it was out of that recognition that divorce courts were first established in the United Kingdom. Parliament's job is to pass laws of general application. Individual problems are best dealt with in courts.

In this case, Mr. Chairman, we have the story of a very young man who was working in the merchant marine. While still under 20 years of age he met a young lady in Glasgow. Apparently they were acquainted with each other for three or four days when they got married. They lived together for about two weeks; then the husband went to sea again. Apparently when he returned to Scotland he discovered that his wife was not living the highest type of life. As a matter of fact, if anyone wishes to read the evidence he will find that the lady in question was guilty of just about everything in the book. At the hearing which was held in the other place the only witness who appeared was the petitioner himself. The respondent, the young woman in question, is still in Scotland and she did not appear.

As I said, there was only one witness, but amongst the exhibits were four sworn affidavits and all these affidavits were received here in Canada from Scotland. Two of them were signed by women who were friends of the wife, one was signed by the wife herself, and the other was signed by a detective. The terms of these affidavits are included in the evidence of this case and they do not make choice reading.

I think hon. members should be made aware that this divorce was granted by Their Honours in the other place on the basis of these affidavits. The petitioner himself was not able to give any direct evidence and he appeared merely to seek a divorce and to answer such questions as were put to him. As I said, the evidence on the basis of which the divorce was granted was based solely on these four signed affidavits. I would point out that the wife in question is perhaps the most damaging witness against herself and her own carryings on for a number of years. In addition to swearing that she is guilty, as I stated, of just about everything in the book, she declares in her affidavit that she is contemplating re-marriage.

Now, no questions were raised, according to the evidence, as to whether there was any collusion, but it seems pretty clear from that sworn affidavit by the wife that she is quite prepared to give her husband the divorce he wants, and she is prepared to give him this sworn affidavit providing the evidence that is necessary to satisfy Their Honours that a divorce should be granted. She admits in the sworn affidavit that she is contemplating re-marriage which makes it pretty clear that that is perhaps the reason why she is so willing to give that evidence.

So far as the young man himself is concerned, one reads the story as set out in this evidence with a sad heart. One hopes that his future may be better once this situation is in the past so far as he is concerned, and one can even hope that the young woman in question in the married life she contemplates pursuing will have a better future, and that her life will be a better one than it has been in the past.

It might seem to some, Mr. Chairman, that we have no alternative but to agree to a case of this kind, but I have taken these few minutes to spell out the sad details of this case just to impress upon hon. members the obvious fact that this is not the business—

**An hon. Member:** Six o'clock.

**The Deputy Chairman:** Order. I hesitate to interrupt the hon. gentleman. I think if his remarks are very brief the committee might consent to permitting him a minute or two to complete them, but if his remarks are extensive then I shall have to call it six o'clock.

**Mr. Knowles:** Six o'clock, Mr. Chairman.

Clause stands.

Progress reported.

**Mr. Deputy Speaker:** May I remind hon. members that at eight o'clock the house will resume the business which was interrupted at five o'clock.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at eight o'clock.

## SUPPLY

### WHEAT—MARKETING OF SURPLUS

The house resumed consideration of the motion of Mr. Prudham for committee of supply, and the amendment thereto of Mr. Harkness, and the amendment to the amendment of Mr. McCullough (Moose Mountain).

**Mr. Rene N. Jutras (Provencher):** Mr. Speaker, when we left off the discussion at five o'clock we were dealing with the amendment and the subamendment which are now before the house. As has been pointed out by the hon. member for Rosthern (Mr. Tucker), the amendment moved by the official opposition is definitely a motion of non-confidence in the government. As a matter of fact, in wording their amendment I think they took care to make sure that it would be a motion of non-confidence in the government. To that amendment there has been moved by the C.C.F. party in the house an amendment which, by the same token, is also a motion of non-confidence in the government. However, I do not propose to deal with the subamendment on that basis. Rather, I propose to deal with it on its own merits.

I want to say without any hesitation whatever—and I think this will be apparent to all hon. members in this house—that the subamendment moved by the C.C.F. is not realistic, is not sound for the economy of this country and is not in the best interests of the primary producers of this country. As a matter of fact, those in the socialist group who spoke on this subamendment apparently did not have in mind quite clearly what was meant by the mover of the subamendment because there appeared to be some confusion in their minds as to what is meant by floor price and what is meant by parity price.

The hon. member for Yorkton (Mr. Castleden), who was the last one to speak, referred to the subamendment merely in the terms of floor price generally. I must admit that I could not figure out why the hon. member for Moose Mountain (Mr. McCullough) took the price of $1.82. If the idea was to hold the line, as he put it, it seems to me that it would have been more logical to stick to the $2.05 which had prevailed up until a fairly recent time. On the other hand, I do not think that he could argue that this would constitute a floor, because if it constituted a floor, by the same token, being a higher price than the prevailing market price, it would definitely act as a ceiling as well. It must therefore be viewed in the light of a parity price more than in the light of a floor price.

Naturally, even if we have before us at the moment a motion of non-confidence in the government, I think that members of the opposition also realize that the government at the moment are not trembling in their boots. We know fairly well what the fate of the amendment and the subamendment will be and that it will not change the picture greatly. But since the discussion is, to a large degree, academic, let us suppose that the subamendment were carried by parliament and let us suppose for a moment that parliament instructed the government not to sell any wheat below $1.82. In effect, that is the result of the subamendment. The hon. member who moved the subamendment says that the government is not to sell any wheat below $1.82 or that it is not to pay the producer less than $1.82.

**Mr. Nicholson:** Those are different things.

**Mr. Jutras:** I will concede the difference. Let us say the amendment is to pay the producer $1.82. As a wheat producer myself, I naturally would have no objection to getting $1.82 instead of $1.72½; and I am quite sure that there is no producer in western Canada who would object to getting $1.82 instead of $1.72½ or less.

**Mr. Nicholson:** How much would you be getting if you were south of the border?

**An hon. Member:** Be patient.

**Mr. Jutras:** I will come to that particular point.

As so much has been said about the matter I think it is about time that we cleared up this point once and for all. For the moment, as I say, if the government were placed in the position of having to pay the producer $1.82 and no less, it would have to take one of two courses. The first one might be to instruct the wheat board to sell as little wheat as possible since it would have to be sold at a great loss to the taxpayers of the country; and they would take the policy of holding the line, of selling as little as possible, hoping that the price would go up later and they would be able to dispose of the crop. This policy has been tried in the past. It was tried during the thirties. This is exactly the policy that was adopted by the McFarland commission or the McFarland agency in the thirties. We all know what the results of that policy were. Reference was made previously to that point. No one in this house has pronounced himself as being in favour of going back to that policy.

The other course would be to decide to go ahead and to sell wheat at a price higher than the market price and to subsidize the producer. Then naturally it is only common sense that the people of the country would expect the producers to restrict their production. That is an inevitable result.

My hon. friend has just referred to the situation across the border. The situation there is quite different from the one we have

here in Canada. As a matter of fact, their position is entirely the reverse of the Canadian position. They consume a large percentage of their production and export a small percentage of it. In Canada we consume a small percentage of our production and export an extremely large percentage of it. Consequently the position in Canada is the reverse of the position in the United States. But in spite of that fact, Mr. Speaker, as you know, last spring the government in the United States had to give an alternative to the producers in the United States. The producers there were given a choice of either accepting a reduction in price or reducing their production. After consultation and conference the farmers, or the representatives of the farmers, agreed to reduce their production, to cut their acreage in wheat rather than to take a cut in price.

In passing may I say this. Let us be clear on what the United States government was attempting to do at the time this parity price system was passed. This system was passed during the war. The purpose of it was definitely to increase the production of wheat in the United States. War conditions existed at that time. They could see that there would be many war-devastated nations in Europe and that there would be a great demand for food products. At that time they did not know how long the war would last. With all these demands they felt that it was in the national interest of the United States and was better policy on the whole to encourage the production of wheat in that nation. Hence they passed what we commonly refer to as the parity price system and agreed to fix the price to the farmer. That price is now $2.21.

This procedure had the desired effect of producing more wheat. Up until the last war the average exports by the United States were roughly in the neighbourhood of 130 million bushels a year. Now their exports are well over 300 million bushels. Hence it will be seen that the desired effect of their policy was attained. I have no quarrel with that procedure. If that is what the American people want to do, it is their business and not ours. However, there is one observation that we make in this country—and we think this is unfortunate—when the rest of the industries of the United States and those in the rest of the world were demobilized, they did not demobilize the wheat industry in their country. The result has been that they have been piling up huge surpluses. As long as they do not dump those surpluses on the markets of the world and do not affect others too drastically, we can have no objection.



Certainly so far they have exercised every care and have shown consideration for their neighbours to the north. We hope that they will continue to consider any move they make in that direction because it would have a very drastic effect on our economy, particularly our agricultural economy. On the other hand, there you are; there is the situation that must be faced. The suggestion contained in the subamendment of the socialists is precisely to adopt a policy with respect to the price of this agricultural commodity that has proved to be a detrimental one in the United States. If it has been so proved in the United States, where their exports are just a small percentage of their total sales, then it is that much more serious and that much more undesirable for a country like Canada where the greater bulk of the product has to be sold outside of this country.

On the face of it the subamendment merely means the freezing of the price of wheat, but we know that it entails a lot more than just the price of wheat. In our western economy wheat is the basic commodity. So it is in the United States. There would be many ramifications. As a matter of fact there is nothing new in the subamendment. This very thing was tried out by the socialists in the United Kingdom when they came into power a few years ago. They initiated a policy of forward fixed prices with the result that they had to exercise control over production, which is inevitable, and after four years the scheme had to be abandoned. I know that the members of the socialist party in particular in this house are well aware of everything that transpired under the socialist government in the United Kingdom. I am sure they are well aware of the very extensive controls and restrictions that the primary producers of the United Kingdom had to put up with. As a matter of fact they were very much opposed to the plan, are still opposed to it and certainly would be opposed to returning to such a system. The national farmers union of the United Kingdom, the largest farm producers organization in that country, has lately come out quite openly and categorically against going back to any such system. They are now directing their efforts towards producer-controlled marketing agencies the same as we have in this country. They have made the experiment in the United Kingdom and it has not proved to be a very successful one.

Here again, let us not forget that in the United Kingdom they do not export any grain. It is entirely a matter of domestic consumption, and consequently the fixing of prices is relatively simple. As a matter of

fact it is very simple. It is the same situation that we have in this country when we control the price of milk in a city. If a province decides to fix the price of milk within the province all it has to do is to pass an order to that effect, and that is being done in many cities across Canada. When the problem is purely domestic you can exercise control over it if you wish, but when a very large part of the product has to be sold in the markets of the world then you have no control whatsoever. You cannot exercise any control over these markets, and that is where the difficulty arises. This is the situation that the United States has to face at the moment.

I know that members of the socialist party have quoted certain farm organizations with the idea of trying to convey the impression that the farmers and primary producers of this country were not aware of these difficulties. Let me refer to the president of the Canadian Federation of Agriculture. In his annual message every year for the last few years he has been warning the producers of the country against any scheme of forward fixed prices, and even against a "parity" system. In his message last year he referred to the United States parity system, and here is what he said:

> For twenty years our farmer neighbours to the south of us have had their parity program which did aim to establish profitable prices on the same level as prices and services in the rest of the economy, and then hold them there. Undoubtedly they were partly successful and benefited greatly by it over the period, but today in view of the wide difference of opinion in their own farm ranks, I think it is fair to say that they do not regard it as a complete or adequate answer to maintaining equality and stability for agriculture. And like us, they are looking for a better program. Two of their major organizations are recommending flexible price supports, that is, when production of a particular commodity goes up the floor price will automatically go down and vice versa.

I think it will be apparent that any scheme of fixed prices must of necessity be related in some degree at least to the production because we fall into the other difficulties that I have mentioned. Again in the month of January this year the president of the Canadian Federation of Agriculture had this to say in his annual message:

> That a support program based on a high percentage of "parity" is not the best answer is indicated by experience in the United States and by changes which are being insisted upon there by both the producers and the government. When a program of forward fixed prices with practically all phases of the farm economy controlled is now being abandoned in the United Kingdom, it may indicate at least that that is not likely to be the one that we would want to try in Canada. Incidentally, in their efforts to replace that program the national farmers' union are placing most emphasis on orderly regulated marketing under producer boards.

I think that even my hon. friends of the C.C.F. party will agree that all in all this represents pretty well the thinking of the primary producers of this country. The emphasis today is placed upon primary producers' marketing boards or agencies rather than freezing prices at any level, particularly any unrealistic level.

When the hon. member for Assiniboia (Mr. Argue) spoke he made some very drastic and farfetched statements. I do not propose to deal with every one of them because my time will not allow. However, there is one that he made repeatedly and which was repeated by some of his colleagues several times, not to mention the hon. member for Yorkton who preceded me. I should like to quote this one sentence which illustrates pretty well the thought running through the minds of the socialist group in this discussion. He made the flat statement that "the Canadian government has always opposed the principle of floor prices and the principle of orderly marketing". This was repeated by him and repeated by other members of his group.

Now, Mr. Speaker, as you and every hon. member of the house knows, the present government is probably the government of Canada that has done the most in the history of the nation to encourage orderly marketing for the primary producers. I think every primary producer and every farmer in western Canada knows that. Exercising some measure of control over marketing is not new. As a matter of fact it goes back to pre-confederation days. But the present government that is now in office, and probably to some degree because it has been so long in office, has certainly done more than any other government in the history of the nation for primary producers of this country. When that statement by the hon. member is made particularly in relation to the marketing of wheat, then it is so far away from the truth you wonder if the hon. member was not carried away by the enthusiasm of the moment. However, we cannot say that because he repeated it two or three times during his speech.

I am not going to enter a debate as to who should get the most credit for establishing the Canadian wheat board. I concede quite readily, and I am quite happy to be able to do so, that it came into existence three months before the government of the Hon. R. B. Bennett was dissolved. I believe every fair-minded member will agree that it was under the present administration that the Canadian wheat board was made the strong marketing agency it is today. It was not

done because the government was opposed, it was done because the government did everything to encourage it and make it possible for the board to be what it is today. Nobody can deny that fact. All hon. members in this house, without exception, agree that it is the best marketing agency we could possibly have in this country. I have never met anyone in this house that dared challenge this statement.

As was pointed out before, and apparently will have to be pointed out again, it was only a few weeks ago that the annual report of the Canadian wheat board came before the standing committee on agriculture and colonization. The three commissioners of the Canadian wheat board were before the committee and everyone was at liberty to question them as much as they liked. As a matter of fact the committee went through the whole operation of the board and everyone asked the questions they wished. The commissioners were quite willing to answer all the questions. I thought the whole matter had been gone into thoroughly. The Minister of Trade and Commerce (Mr. Howe) made the statement that no one objected, and I defy anyone to go through the records of the committee and find anyone who dissented from what the board was doing. Everyone agreed that this was the best possible way of doing it.

The socialist members even went so far as to put a direct question to the chairman of the Canadian wheat board, asking him if he thought this was the best way of doing it. Naturally, being the chairman of the board, it could not be expected that he would say anything else, but for the purpose of the record he did say that naturally he thought this was the best way of doing it. The hon. member for Assiniboia was quite as enthusiastic in agreeing with the chairman, and is on the record as saying, "Very good; very good". When a suggestion was made about the other method of marketing and they asked the chairman if he thought this was not a better method, naturally the answer was that the present one was a better method.

This afternoon the hon. member for Calgary North (Mr. Harkness) tried to indicate that he at least, if nobody else, had offered some criticism of the board. I must say that if he had criticism in mind he did not make it quite clear because I am sure he was the only one who thought he made any serious criticism of the marketing system.

**Mr. Harkness:** I believe, Mr. Speaker, perhaps I should make a correction here. I was making my criticism in the agriculture committee and in this house to a large extent of the policy of the government. I was not criticizing the board, because they have to do what they are told.

**Mr. Jutras:** I should like to point out to the hon. member for Calgary North that for the moment I am not referring to the policy of the government. I am referring to the operations of the board, and for the moment I am restricting my remarks to the actual operation. I shall come to the policy level later. So far as the board is concerned, and so far as their sales of wheat are concerned, there has been no serious criticism. This afternoon the hon. member referred to actual sales of the last three or four months. This question was also put in the committee, as he knows—

**Mr. Harkness:** No, no.

**Mr. Jutras:** I will give the hon. member the page reference after I am through.

**Mr. Harkness:** Not after January 31 of this year.

**Mr. Jutras:** No, but up until January. The hon. member tried to make the same point in the committee, and the clear statement of the chairman of the board is on the record to the effect that it is useless to take one week, two weeks or one month in the marketing year as giving any possible indication of the year's operations. We can see from last year's report that there was a period in which there was no marketing. Members of the committee asked why that was so, and were told that at that time there happened to be a strike. There was no grain moving. There might be almost any situation occurring at a particular moment. There are many factors affecting marketing such as weather, transportation and many others. Picking out any one week or one month or two months cannot possibly give any indication of the year's operation.

The Leader of the Opposition (Mr. Drew) also made a statement, and prefaced his remarks by saying that none of the last crop was sold. That is quite true; I mean it is in a way of speaking. Last year there was as much wheat left over as the entire crop, so we could say that none of the wheat was sold during that year. Standing alone that is a misleading statement because in the same year we exported more wheat than we ever exported in the entire history of the nation. We established an all time high record for selling wheat outside of this nation.

**Mr. Harkness:** That is the previous year you are talking about.

**Mr. Jutras:** No, the same crop year, 1952-53.

**Mr. Harkness:** That is the previous year.

**Mr. Jutras:** Yes, and that all comes back to the fact that we have had three very large crops in western Canada during the last three years.

Some hon. members have tried to create the impression that we have lost our markets. The chairman of the wheat board was asked that question and he made the categorical statement that we had not lost any of our markets. It was just that the percentage went down. This was attributed to the fact that the United Kingdom is not buying but is using up her stockpile. There are many nations in Europe which were buying wheat before who have had such good crops they are now selling wheat. The United States has boosted its production, and we have had large crops. Naturally, therefore, there is a large amount of wheat on the market at the moment.

I see my time is running out, and I should like to deal with another important statement. I must say I regret the fact the hon. member for Prince Albert (Mr. Diefenbaker) is not in his seat. No doubt he has been detained by important business. I am not saying anything to reflect on him in that regard, but since I want to deal with remarks he made it makes it a little difficult when he is not in the house. However, a few days ago when he moved a motion to adjourn the house he gave a statement to the press which I felt was very unfortunate and should be dealt with now. I am quoting from an article in the Ottawa *Citizen* of Tuesday, June 8, which says:

Mr. Diefenbaker, who told reporters the price drop is a blow to the western farmer, blamed it largely on Canada's stubborn refusal to agree to Britain's request for a ceiling of $2 a bushel instead of $2.05 under the international wheat agreement.

The hon. member for Prince Albert should definitely know the situation in this regard, and should know that this is not accurate.

Well, you see how these things snowball. Two days later a very reputable newspaper, the Montreal *Gazette,* carried an editorial commenting on this situation and taking that as a matter of fact in writing the editorial. Then again, a few days ago, some private citizens in Ottawa wrote a letter to the editor along the same lines which appeared on the editorial page.

To begin with, the hon. member for Prince Albert says that he blames it on the stubborn refusal to agree to Great Britain's request for a ceiling of $2. I have not time to place all the information on the record, but the first inference there is that he has always taken the position that we should have agreed to a price lower than $2.05. All we have to do is to read the pages of *Hansard,* at the time we ratified the agreement, to find that the hon. member for Prince Albert was the one who inferred, I believe on four occasions, that the price was not high enough. But he went further than that. Here is what the hon. member said on this matter of the price range:

With increasing farm costs, a price level such as that suggested in today's Canadian Press article—

Referring to the suggestion that it might be $2.

—will, I think, be most detrimental to the wheat producer of this country on the basis of the suggested maximum and minimum prices set forth in that article.

And in the course of these remarks he went on further and suggested that—

—the Minister of Trade and Commerce would give consideration to asking the purchasing countries to accept some escalator clause whereby, in the event of increasing farm costs, there would be increases in the minimum price.

Not only was he against the $2 price, but he wanted to tie an escalator clause to it. The idea was to force purchasing nations to be tied to the escalator clause on top of that. And yet today he turns around and says that he blames it all largely on Canada's stubborn refusal to agree to $2. That is the first inference.

Then, the second inference is that it was Canada who held out definitely for $2.05. Well, we all know the facts of the situation. That was over a year ago. When the negotiating team got down to the last stages the United Kingdom suggested price was $1.95. The Americans had started at $2.50, and it was made clear by the United States delegates that they could not possibly recommend anything below $2, that it would not have a chance of carrying in congress, and that consequently they could not consider anything below $2. They said that $2.05, which looked a little more than $2, was the best they could do; and they had to negotiate on that basis.

I would not put the blame on the United States more than on any other country. But at that time both the producers in the United States and in this country felt very strongly that $2.05 was the limit in North America, and we agreed to that. I am willing to take my responsibility for that, the same as anybody else. I am not trying to say that we should have agreed; but we have the statement of the chairman of the Canadian wheat board before the committee. When he was asked if he thought we could sell more wheat by taking less for it, or if he felt we could have sold more at a lower price, he made the very definite statement, without any hesitation at all, that it would not have made

any difference. It was not a question of price; it was just a question that they did not want to buy. He pointed out that 5 cents, 10 cents or 15 cents would not have made any difference. And he was quite categorical on the point that price at that time and up until now has not been a feature in the lower sales in the international market.

So that this argument that the present reduced price is the outcome of the negotiations at the time of the international wheat agreement is not valid. And I want to place on record again that I hope members of the official opposition will not try to repeat what they tried to do after the British wheat agreement. They never would concede, but they had agreed to the British wheat agreement. Then a few years later they tried to deny they had ever supported the British wheat agreement. All parties in the house, without exception, supported the international wheat agreement and supported the terms of it to the same extent. Some of them would have preferred, the same as we would have, some other provisions; but the fact remains that we all agreed to support this agreement because those were the best terms we could get.

The situation developing now is a situation of overproduction, and it is not one that has anything to do with whatever price was arrived at, at the international level. And I might add personally I feel very strongly that during the years it has been in operation it has served a very useful purpose, and it is still serving a very useful purpose. Because we have been able to agree to some degree.

I agree fully with the Minister of Trade and Commerce that it is far better policy to take a package drop, rather than to allow the price to drop a half cent, a cent or two cents at a time. It might well develop into a price war at the international level. And at least this is a fact, that a package drop at one time has the effect of holding it there. And I for one—and I am sure this is shared by the Minister of Trade and Commerce—hope that it will not develop into something more.

I want to say in conclusion that while the opposition has been complaining so much that the Minister of Trade and Commerce is an optimist, I am very gratified and pleased that he is an optimist. We are very fortunate in that, because it is much preferable to have an optimist in that position. Of all people, I cannot understand primary producers complaining about the fact that they have an optimist in that position. After all, for one thing, in a few weeks' time he will have to set the initial price. I hope he will be very optimistic in the future outlook when he sets the initial price, and will set it as an optimist, rather than as a pessimist.



**Mr. Donald M. Fleming (Eglinton):** Mr. Speaker, the reasons for supporting the amendment introduced this morning by the hon. member for Calgary North (Mr. Harkness) were fully set out by him in his excellent speech. It becomes necessary, however, to make a brief statement concerning our position in regard to the C.C.F. subamendment.

Let me say at the outset that the matter of the marketing of Canadian wheat is a subject of importance to every Canadian. Its importance is not confined to the western provinces, nor to those who represent the western provinces. The finding of good markets for Canadian wheat, our principal food export, is something basic to the whole Canadian economy; and it is with an appreciation of that fact that I approach the problem now.

The government has monopolistic powers over the disposal of wheat in Canada. Therefore it must accept full responsibility for whatever may be lacking in the disposal of Canadian wheat. I sought in my remarks last week to indicate the reasons why the Canadian people and members of the House of Commons expect that the government, in the discharge of its responsibilities as the salesman of Canadian wheat, must be an energetic and resourceful salesman. As indicated in our amendment we think the government has failed. It has not measured up to its responsibilities as the salesman of Canadian wheat.

I am not going to weary the house with figures. I will give the house only the more recent evidence. It is true that our wheat marketings in the crop year 1952-53 were something of a record, totalling approximately 378 million bushels. Up to May 15 of the present crop year 1953-54 our total exports were only 196 million bushels. In other words, in the first 9½ months of the present crop year we have marketed barely one-half of the marketings in the previous crop year, and it will take a mighty spurt in the remaining 2½ months of the crop year after May 15 to make any impression at all in reducing this huge disparity between the marketings of the year 1952-53 and the greatly reduced marketings of the year 1953-54.

The United Kingdom is our best customer for wheat. What then have been our marketings in the United Kingdom in those two crop years? In the crop year 1952-53 we marketed 123·4 million bushels of wheat in wheat and wheat flour in the United Kingdom. Up to the end of April, 1954, in other words, in

nine months of the present crop year, Canada had marketed in the United Kingdom only 59 million bushels of wheat in wheat and wheat flour. In other words, in the first nine months of this crop year we did not market as much as half of our marketings in the United Kingdom in the full crop year 1952-53, and that is a fact that must fill us all with very grave concern.

Canada has on hand now approximately 675 million bushels of wheat. World stocks at May 1 aggregated 1,800 million bushels in the four major exporting countries, the United States, Canada, Australia and Argentina. Of that huge total, one-half was located in the United States. Measure that stock of wheat, Mr. Speaker, at May 1, this year, 1,800 million bushels, with the situation exactly one year earlier, when the total world stock in those four great exporting countries was just 1,338 million bushels.

The alarming feature of the way in which the government demonstrates its attitude towards this problem is that so far as the Minister of Trade and Commerce (Mr. Howe), as the spokesman of the government, is concerned, he apparently does not see a problem in it. He seems to be quite content with what we are doing. He does not recognize the existence of a problem. Surely, Mr. Speaker, the minimum essential, the first requirement of the solution of any problem is that we should recognize the existence of the problem, and there is scant hope of effective solution of this problem, which is a problem for all Canadians, as long as the government through the Minister of Trade and Commerce is content to deny even the existence of a problem.

After all the government's promises, and after all its bragging, and after all the kidding that it has practised at the expense of the western wheat farmer, we see a situation here today which ought to be giving great concern to hon. members, and it is for that reason that the hon. member for Calgary North (Mr. Harkness) moved this amendment in which we invite the house to express its concern over this problem in these words:

> This house regrets that the government has failed to deal effectively with the problem of marketing Canada's wheat surplus.

I now turn to the C.C.F. subamendment which reads as follows:

> That the amendment be amended by changing the period at the end thereof to a comma and by adding thereafter the following words:
>
> "and this house further regrets that the government has failed to make provision for a floor price to the wheat producers of Canada at levels not less than the Canadian wheat board selling price, basis Fort William/Port Arthur, on Friday. June 4, 1954."

Sir, as has been indicated, that price was $1.82½ per bushel. Since the date referred to in the subamendment the government has reduced the price of wheat by 10 cents a bushel, and if one is to follow the statement made by the minister in the course of this debate more reductions are threatened.

May I recall what the minister said in the course of this debate on June 9 at page 5750 of *Hansard*?

> If it is necessary to cut the price again in order to hold that proportion, I can assure you, Mr. Speaker, that we are not going to lose markets for wheat because we make a fetish of $1.78½ for Vancouver and $1.72½ for Fort William and, by making a fetish, lose markets for substantial quantities of wheat.

And again, speaking of our customers among the countries of the world, he said on the same page:

> If they are not buying from us when our turn comes, we make inquiries to find out why. If it is a matter of price, that is one factor which, added to other factors, may indicate to the wheat board that a cut in price is necessary.
>
> Those are the facts of life. That is the policy that the wheat board will follow. It is the purpose of the board to be competitive.

There is only one interpretation that these words bear, and that is an intimation from the minister that the Canadian wheat farmer may expect further reductions in the price of his products.

Now I turn to this subamendment and I ask where would the adoption of the kind of policy outlined in the C.C.F. subamendment lead us as a nation? What might it cost to implement this policy? It is quite true that this subamendment, calling for the expenditure of money, cannot commit parliament to the expenditure itself, but nevertheless we are called upon in the forthcoming division on this subamendment to express ourselves in relation to that policy. I ask in the first place: What would the policy cost? I measure it against the background in which the present government has not been very successful in selling wheat. I point out that the subamendment is not confined to wheat of the 1953-54 crop year. Apparently it is intended to be the continuing policy, assuring a floor of $1.82½ per bushel on all wheat grown or marketed hereafter, or after June 4.

We have on hand, as I indicated earlier, approximately 675 million bushels of wheat just six weeks now from the commencement of the next crop year. Add the crop year 1954-55 to our stock on hand today of approximately 675 million bushels and it will be seen that the policy indicated in the C.C.F. subamendment is going to have an application to a great deal of wheat in the next year or two. Let us take it both ways. Let us assume on

the one hand that we may have a much reduced crop in the next crop year. Let us say, for instance, that the crop in the crop year 1954-55 is just 325 million bushels. Let us assume on the other hand, for purposes of calculation, that Canada has for the fourth year in succession a bumper crop of 625 million bushels. Add these respective quantities of 325 million bushels on the one hand and 625 million bushels on the other to our existing stock of approximately 675 million bushels and it will be seen that if we have a poor crop in the crop year 1954-55 this policy will apply to approximately one billion bushels of wheat. On the other hand, if we have another big crop year in Canada in the crop year 1954-55 this policy will apply between now and the end of the crop year 1954-55 to some 1,300 million bushels of wheat.

In measuring the cost let us regard also the rather chilling warning given by the Minister of Trade and Commerce in the passage which I have just quoted as to the expectation of further reductions in the price of wheat. Here is the way in which these figures of cost work out. If the present price of $1.72 per bushel continues this policy would cost the Canadian taxpayer 10 cents per bushel. If we have one billion bushels of wheat to market in terms of the present quantity and next year's crop, this will cost the Canadian taxpayer $100 million. On the other hand, if we have the large crop I mentioned and we have to dispose of 1,300 million bushels of wheat then it would cost the Canadian taxpayer $130 million to implement this policy.

Now suppose this chilling news given by the Minister of Trade and Commerce issues in a further reduction and we assume the next reduction is to $1.62½ per bushel. The Canadian taxpayer must then subsidize every bushel of wheat to the extent of 20 cents and in that event to dispose of one billion bushels of wheat the cost to the Canadian taxpayer would be $200 million. On the other hand, if we have the big crop to dispose of amounting to 1,300 million bushels the cost to the Canadian taxpayer would be $260 million.

If the Minister of Trade and Commerce pursues further the policy of which he gave us that chilling warning last week and let us say the price at which the government proposes to sell the wheat drops another 10 cents per bushel to $1.52½ per bushel, this time it will mean that the Canadian taxpayer will be required to subsidize every bushel of wheat to the extent of 30 cents, and if we have one billion bushels of wheat to dispose of the bill to the Canadian taxpayer will be $300 million. If we have to dispose of 1,300 million bushels of wheat the bill to the Canadian taxpayer will be $390 million.

**Mr. Howe (Port Arthur):** What would happen if it dropped another 10 cents?

**Mr. Fleming:** There is the Minister of Trade and Commerce apparently seriously suggesting that there is the possibility of some further drop. I say to the minister that if this is the best consideration he can offer he had better get off the job and make way for somebody who will do a better job of selling Canadian wheat at proper prices.

**Mr. Howe (Port Arthur):** We were just testing your arithmetic.

**Mr. Fleming:** I am prepared to have my arithmetic tested but I wish the Minister of Trade and Commerce could do better when we test his salesmanship.

**Mr. Abbott:** Try eating a little more wheat.

**Mr. Fleming:** The fact of the matter is that to implement this policy no one here can tell where it would lead. It is laid down as a policy of continuous application. The quantities of which I have spoken include only the stock on hand today plus the crop for the crop year 1954-55. It is quite evident that no one in this house knows what the continuing cost of this policy would be. It is, however, not to be wondered at that hon. members introduce an amendment of this kind, particularly when we see the fruits of the government's failure in the way in which it has misled the western farmer by all the airy talk it has offered to the wheat farmers of the west for years past, but in the face of the facts I have put before the house, and the fact that no one knows where a plunge of this kind would take us, we in this part of the house cannot give support to the C.C.F. subamendment.

I do not wish to close my remarks this evening without laying all the emphasis at my command on one thing. I conceive it to be the duty of the government in fairness to western wheat farmers immediately to do something that the government has been asked repeatedly to do, particularly today in the speech made by my esteemed colleague the hon. member for Calgary North. It is the duty of this government immediately to announce the initial payment on the 1954-55 crop. Never in all the years since the conclusion of the five-year wheat pool has the government been so late and so tardy in announcing the initial payment on the new crop. We are now at June 15. I suggest we take a look at the dates on which the initial payment was announced during the previous four years. For the crop year 1950-51 the

government announced the initial payment on April 5, 1950. This is just 71 days earlier than the day on which we are meeting here now. For the crop year 1951-52 the government announced the initial payment on May 4, 1951, 42 days in advance of June 15. For the crop year 1952-53 the government announced the initial payment on April 8, 1952, just 68 days ahead of June 15. For the crop year 1953-54 the government announced the initial payment on April 27, 1953, just 49 days ahead of June 15.

Never throughout this entire period, has the government been anything like so late as this year. Now, sir, this is a matter of the liveliest concern to the western wheat growers. It is a matter of lively concern to others as well. It is a matter of concern to "the butcher, the baker, the candlestick maker" in western Canada and elsewhere. It is a matter of concern to the railways and indeed to the entire country.

Why has the government been so coy about announcing the initial price? Why this tardiness? There was a statement from the minister in his speech on this matter in this house on June 9 which, if not explained by the minister, can only be described as misleading. The minister said, as reported at page 5746 of *Hansard* for June 9:

> The present—

Note these words, Mr. Speaker.

> —initial price has been $1.40 basis No. 1 northern for several years, and that is the initial price today. It has been said here that there is no floor under wheat. What more effective floor can there be than an outstanding offer to pay on the basis of $1.40 at terminal delivery point when wheat is delivered at the country elevator?

At the risk of repetition, Mr. Speaker, I would again draw your attention to the words the minister used in reference to "the present initial price of $1.40". He says that that is the initial price today. But the fact of the matter is that that was the initial price for the crop year 1953-54, and that price was announced on April 27, 1953, nearly 14 months ago.

No announcement has been made, and none has been attempted on the part of the government as to the initial payment for the crop year 1954-55, which is the crop year that is giving the farmer immediate concern as to what the initial payment will be. Of course, he knows what initial payment was received for the crop year 1953-54; he has known that for the last 14 months.

It is surely not necessary for the minister to make statements of that kind which, without explanation on his part, it seems to me can only mislead those who read them.

We are now only six weeks away from the beginning of a new crop year. No one knows what to expect. Government policy is an enigma. If the government has not a policy, then it is time they found one and found it soon, in simple justice to the Canadian wheat farmer and to all those Canadians who depend upon the Canadian wheat farmer for the success and the economic health of their efforts. I say that it would be the gravest injustice if the government defers for one moment longer announcing an initial price for the crop year 1954-55.

**Right Hon. J. G. Gardiner (Minister of Agriculture):** Mr. Speaker, the debate which has been going on with regard to the marketing of wheat during two complete days now is one which always creates a certain amount of interest in the house. This debate is no exception. There is, however, one matter which I do not think has much bearing upon the question which is before the house. Nevertheless it has been referred to in the speeches of two different members, namely the hon. member for Assiniboia (Mr. Argue) and the hon. member for Acadia (Mr. Quelch). I may say that this is not the first occasion upon which it has been referred to.

Since there has been considerable argument about it, I am sure that you will permit me to deal with it for a few moments. It has been suggested by both hon. members that on some occasion I voted against an international commodity clearing house as proposed by the farm federation. On previous occasions I had not taken the trouble to look up the record to see whether or not I had voted against it. I knew exactly what I had said on the occasion when the question was under discussion. I did not recall ever having voted at all upon it one way or the other. This afternoon, when the question was raised on the other side of the house, the hon. member for Winnipeg North Centre (Mr. Knowles) stated that the real question is this: Did you vote against it? I hope I can answer that question to his satisfaction tonight.

I have read through the debate which was referred to this afternoon by the hon. member for Acadia. He referred back to a debate which we had in this house on April 30, 1953, upon the same question. Practically everything that has been said both inside and outside of the house with regard to this matter is based upon what the hon. member for Acadia said and on what he induced me to say. I am not going to hold him any more responsible for what was said than I am going to hold myself. The suggestion was made time after time that I had voted against

the international policy as suggested by Sir John Boyd Orr. I made it quite plain that I had not done so. As a matter of fact, my speeches at all the international conferences on food and agriculture will bear me out when I say that I was always one of the chief supporters of the policy whenever it was brought up for discussion at any of the FAO conferences. That is all I am going to say about that matter.

My hon. friend from Acadia was good enough to point out in the speech of April 30, 1953 that he quite agreed that I supported Sir John Boyd Orr's international proposals. The hon. member for Assiniboia the other day did not accept that point of view at all, and he was quoting from the speech of the hon. member for Acadia. He was saying that I did not support that position. I want to thank the hon. member for Acadia for putting him right this afternoon—at least he will be put right when he reads *Hansard* because he was not here at the time and is not here now—by saying again that he acknowledged the fact that I had always supported that policy. But he said that I or the Canadian delegation of which I was the head had voted against this international commodity clearing house that was proposed.

I must say that where I was led a little bit astray was that after I took a column or two of *Hansard* on that occasion to explain just exactly what I did say down there, I said this; and this is the only sentence out of the whole discussion that the hon. member for Acadia saw fit to read this afternoon—

**Mr. Quelch:** That is all that is necessary.

**Mr. Gardiner:** We will find out in a few moments whether or not it is all that is necessary. I had not expected that from the hon. member for Acadia. I endorse everything that the hon. member for Rosthern (Mr. Tucker) said this afternoon wtih regard to the members of the other group who continuously take positions of that kind, not because they are in accordance with the facts but simply because they serve the purpose for the time being.

My hon. friend, out of all this speech—and in this I explain exactly why the Canadian delegation took certain positions with regard to the matter—read this one sentence:

> If we went into a scheme of that kind with a group of nations that would not accept the principles that were laid down by Lord Orr, then of course we would be looking for trouble;—

And here is where I made my mistake. I continued:

> —so we voted against it.

I say I must take part of the responsibility for my friend's thinking that we did.

[Mr. Gardiner.]

**Mr. Quelch:** That is a good thing.

**Mr. Gardiner:** Nevertheless I had never looked up the records until this afternoon. I looked them up and I have them here. As a matter of fact, no vote at all was taken on the question. The only reasons there were for the Canadian delegation taking the position it took are explained in the speech which I made. In that speech nothing at all is said about a vote and it does not touch upon a vote, for the simple reason that results were obtained in another way. I am going to read only the last two sentences of the speech which I delivered on that occasion. They will make it plain why I examined the records in order to find out whether or not there had ever been a vote.

> Unless the proposed international agency, with the co-operation of the governments concerned, could direct the disposal of any substantial surpluses which may arise in a way that would avoid this kind of development, then the effort of other exporting countries to maintain production levels in keeping with natural demand would be jeopardized and far-reaching effects might result throughout the entire food and agriculture economy of the world.

Then the last sentences:

> In conclusion, we in Canada agree with the United States and the United Kingdom that suggestions should be considered by a working committee. The Canadian delegation will co-operate in every possible way on such a committee. We hope that out of this conference will come a suggestion that we can all agree on.

Following that a working committee was set up and the conference had sufficient confidence in the Canadian delegation to place the deputy minister of agriculture of that day from this country—I refer to Dr. Barton—at the head of the committee. That commodity committee of the FAO organization sat throughout the years in order to arrive at some suitable method of handling this question of surpluses of farm products throughout the world.

Well now, I wish to repeat again that according to the statements of the officials who were there, and I checked with some of them this afternoon, there was no vote taken on this question at all. The question that was before the conference was fully discussed. Our opinion with regard to it was clearly expressed and following that, not only because of the position we took but because of the position others at that conference took, a committee was set up to go to work on the matter of international surpluses in order to determine the best possible way of dealing with them from year to year. That committee sat and carried out its activities throughout the years.

I wanted to say that on this occasion because I know why my hon. friends keep repeating these things. They do so for the

very reason expressed by both of the hon. members, although one of them is in the C.C.F. group and the other in the Social Credit group. They say: Well, we cannot rely on your statements anyway. Of course, every time they can put anything on the record which makes it appear that my statement is not exactly correct they feel that helps them in some way in creating just the kind of impression that the hon. member for Rosthern said this afternoon they were bent upon creating with regard to anyone in this house who differs with their opinion.

**Mr. Quelch:** Mr. Speaker, on a question of privilege, I do not think the minister has any right to suggest that I made that statement purely to infer that the minister was making an incorrect statement. I did so for the simple reason that I wanted to find out what the attitude of the government was, and I referred the minister to the statement he made last year in which he said that he had voted against the proposal. I have seen reports of that conference which state that the conference turned down the proposal. In view of the fact that the government of which the minister is a member is opposed to the acceptance of sterling, and in view of the fact that the international commodity clearing house is based upon the acceptance of sterling, I do not see how the minister could possibly have done anything else than oppose the proposal.

**Mr. Gardiner:** That is all right. I do not think my hon. friend needs to make another speech. He raised the question whether or not I was inferring something that I should not infer. I have corrected him on three previous occasions and each time he has got up on the floor of the house and repeated the statement all over again and said he was right.

**Mr. Quelch:** Because the minister kept changing his statement.

**Mr. Gardiner:** I took it for granted when the hon. member kept repeating the same thing time after time that there must have been a vote on the matter but there was no vote on it at all, and therefore I did not vote. The whole position of the Canadian government is contained in a speech which I delivered on that occasion, and it was considered by the government before I went to the conference.

**Mr. Quelch:** How can a conference turn down a proposal without some form of vote on it?

**Mr. Gardiner:** They turned it down because a proposal was made which was satisfactory. That proposal was for a working committee instead of setting up the clearing house spoken of in the resolution, and the work was proceeded with under that committee. In view of the fact that this matter has been dealt with on a number of occasions I thought it necessary for me to make a statement once again and to put the position clearly on record.

Coming back to the question which we have before us at the moment, which is an important one. It has been said by hon. members that we should follow the American practice at the present time in connection with the handling of wheat. I have the American plan here in my hand, and having it in my hand I think I should place it on the record. These are the acreage allotments and marketing quotas on United States wheat.

1. Authority for acreage allotments and marketing quotas is provided in the agricultural adjustment act of 1938 as amended. This legislation provides that not later than July 15 of each marketing year for wheat the secretary shall ascertain and proclaim the total supply and the normal supply of wheat for such marketing year and the national acreage allotment for the next crop of wheat. It provides further that when the secretary determines that the supply of wheat will exceed a certain quantity, as set out in section 335(a), he shall, not later than July 1, proclaim the fact and that during the marketing year beginning July 1 of the next succeeding calendar year a marketing quota shall be in effect. Between the date of issuance of such proclamation and July 25—mid-August in the amended legislation—a referendum is to be held to determine whether the farmers approve the quota. If more than one-third of the farmers oppose it the secretary shall by proclamation suspend the operation of the quota.

That is the first provision in connection with the establishment of support for wheat prices in the United States.

Then I come to the next one.

2. The agricultural act of 1949 provides price support for wheat at 90 per cent of parity for co-operators, defined as those whose acreage does not exceed the farm acreage allotment—

In other words, just as the chairman of the agricultural committee said a few moments ago in discussing this question, when you impose price controls and establish anything in the nature of what they have in the United States you must have along with it acreage control as well. The two things are tied together.

The agricultural act of 1949 provides price support for wheat at 90 per cent of parity for co-operators—defined as those whose acreage does not exceed the farm acreage allotment—if the marketing quotas have not been disapproved. The rate is to be 50 per cent of parity for co-operators if the marketing quotas have been disapproved by producers.

That is quite a different proposition from the proposition that has been discussed here.

It has been suggested that the farmer in the United States goes ahead and produces whatever wheat he feels inclined to produce; that that wheat is produced at 90 per cent of parity; that a loan is made upon it to the extent of 90 per cent of parity, and then he can do so and so and so and so. That is not correct at all.

**An hon. Member:** Who made that statement?

**Mr. Gardiner:** The fact of the matter is that if 90 per cent of parity is established by the vote that takes place once a year the individual is bound by that acreage once it is established. If he has any more than that amount of acreage seeded then the amount he is allowed, if he is allowed anything at all, is considerably less that 90 per cent on all the wheat he grew.

Then I come to the third point.

3. The national acreage allotment under the existing legislation is to be such that with normal yields and taking into account estimated carry-over and imports it will make available an amount equal to a normal year's domestic consumption and exports, plus 30 per cent thereof. The minimum for any year was to be not less than 55 million acres.

In other words, the acreage in the United States, which at the end of the war was 83 million acres, could be reduced to 55 million acres. As everyone knows, when the vote was taken last August the acreage in the United States was reduced by 16 million acres. That 16 million acres taken off the 78 million made an acreage of 62 million. The fact is that if American farmers seed more than their quota of the 62 million acres then those who exceed their quota in acres will, under this particular proposal, suffer thereby in so far as any support for prices they get is concerned.

**Mr. Nicholson:** How much a bushel for his wheat, though?

**Mr. Gardiner:** I might say to the hon. member for Mackenzie that I once heard a very prominent member in this house make the remark that no one ever listens himself into trouble.

4. The prospective supply for the 1954 crop year was such that this minimum would have been in effect. Amending legislation signed by the President on July 14, 1953 set the 1954 allotment at 62 million acres—

—the figure which I gave a moment ago.

The 1953 wheat acreage was 78 million acres.

5. The referendum on the wheat marketing quota for 1954 was held on August 14, 1953. The quota was approved, over 87 per cent of the farmers voting in favour of it.

As the hon. chairman of the agricultural committee said a few moments ago, you cannot tie down the price of wheat and make that work successfully unless at the same time you have acreage control. If there is one thing that the western farmers have voted against, talked against and worked against ever since I have been in Saskatchewan, and that is ever since the province was formed, it has been any kind of acreage control. Of course the reason for that is obvious. We are a new province. Farmers are settling here and there throughout the length and breadth of it. They have objected at all times to acreage control, and because they have objected to acreage control many of the things that are being suggested from the other side of the house are an impossibility.

A few moments ago something was said by the hon. member for Eglinton (Mr. Fleming) about the supplies of wheat that have been sold at different times. Prior to the war Britain was very anxious that she should not be put into the position where she was consuming more than 90 million bushels of our wheat in a year. This did not mean that she would not buy any more than 90 million bushels of our wheat. There was a time when Britain bought wheat for the most of Europe. She bought it from us and other people and distributed it to the countries in Europe. Since the war she has not felt in a position to do that kind of thing, so she has been buying wheat for herself and allowing others to make arrangements for the supplies they required.

I have here a table of the imports of wheat into the United Kingdom from the different countries during 1951, 1952 and 1953. I shall just use the round figures, because it is only to get comparisons. Australia exported to the United Kingdom in 1951, 21 million bushels; in 1952, 16 million bushels; in 1953, 14 million bushels. Canada exported in 1951 just four times what Australia placed in the United Kingdom, 84 million bushels; in 1952, 103 million bushels; in 1953, for nine months —this statement just carries me down to the end of September—83 million bushels. These are calendar years, not crop years. Then from the United States the United Kingdom imported in 1951, 39 million bushels; then 16 million and 16 million, for the next two years. The figures for France are as follows: 1,200,000; 797,000; 12,500. The figures for other countries are 5,293,000; 681,000;

1,618,000. The Soviet union supplied wheat only in one year out of that group, the year 1952, 7,338,000 bushels.

Now, let me call attention again to the sales Canada made. They were, in 1951, 84 million bushels; in 1952, 103 million bushels, and in the first nine months of 1953, 83 million bushels. I have the figures for flour here, and when you take in flour and wheat the figure is raised to the figures mentioned a few moments ago by the hon. member for Eglinton for 1952 of 123 million bushels. When you take wheat and flour both, the other figures are comparable.

What I wanted to point out was this. Britain has been taking about the usual amounts of wheat and flour from this country. When you take the first year, for example, the figures are 84 million bushels of wheat and 9 million bushels in the form of flour. For the next year, there is a similar position and in the last year it is 83 million bushels of wheat for nine months and 6 million bushels in the form of flour. The figures work out to be quite comparable but are much higher than any other country sold to Britain.

When my hon. friends opposite are discussing this question, I should like to point out that one cannot be too sure what these figures mean. Britain is a very careful trader. Britain is concerned about seeing her population is fed, in a country where they cannot produce more than about 50 per cent of their own food, and so she does her own storing in her own way. When there is a situation that may threaten war, she has her own methods of storing up and retaining certain amounts until she is sure there is not going to be any trouble, or comparatively sure that there is not. She then consumes the wheat in storage and buys less.

There is not any way in which anyone in this house can take these matters and consider them reasonably in any other manner than by taking a long period of time. To say that Britain only bought so much wheat in some months or some particular year is on the face of it ridiculous if you want to make comparisons. Even saying that Britain only took so much wheat in a particular year, particularly if you can show an unusually high amount in the preceding year, does not mean that one is at all sure whether she is supplying the nation in that year or whether she is supplying storages to take care of any difficulties which may happen in the next year.

What we in this country, and those in every other country that is selling wheat in the markets over there, must do is to do our own reasoning. We must come to our own conclusion and go ahead from whatever point of view we reach. We must do the best we possibly can in support of our own people who are producing the product, and that is exactly what the Minister of Trade and Commerce has been doing, in so far as he directs the wheat board at all. I know from long experience in dealing with the wheat board that no one here directs the wheat board. The wheat board comes here from time to time and asks for advice on certain things they may wonder whether or not they should do. As for the minister directing them as to what they should do, that board was set up at the request of the producers in western Canada and at the request of no one else. It took the producers years to establish the idea here. First they tried it with the preceding government, and I believe there is only one member in this house now who was in that government then. The farmers attempted to have the preceding government establish a compulsory wheat board. They put forth every effort to have that done.

I must say, to the credit of the Bennett government of that day, that they brought down a bill which provided not only for compulsory marketing of wheat but compulsory marketing of all grain. My friend shakes his head, but I say to him to go and read the legislation.

**Mr. Macdonnell:** I was just shaking my head because it is a red letter day when a fair remark is made from across the gangway about the Bennett government.

**Mr. Gardiner:** I beg my hon. friend's pardon for having thought anything else. In so far as the statement is concerned, I have said it so often without getting credit for it that I am sure I appreciate the credit I get tonight. The government of Mr. Bennett brought down a bill to provide for the compulsory marketing of western grain through a wheat board. There was a discussion about it on the floor of the house, and finally that bill was withdrawn. A committee of five was appointed and Mr. Bennett made himself chairman of the committee. This committee brought in another bill. I am not going to discuss the bill because it is not for that purpose I bring up the question at the moment. I bring it up in order to say that because of the experience we had gone through in western Canada, hon. members on the other side of the house should be warned, particularly those in the C.C.F. group, that the kind of suggestions they have been making here this afternoon are not the suggestions that are going to settle the wheat question in western Canada.

*Wheat—Marketing of Surplus*

I am speaking from memory when I say this, and I may be a little out on my figures—if my friends look them up and find I am a little out, I hope they will not say I was attempting to misrepresent the facts here or say something I knew to be incorrect—my memory is that back in 1929, after we had a strong wheat pool in existence for a little better than four years, the initial payment on wheat had been built up to a fairly high level. Just as gentlemen across the floor of the house are saying now: "You should make this initial payment as high as you can, you should make it ten cents higher than the price is now"—according to one of the resolutions—"and start off from there", well, that is exactly the same kind of argument that was used with the wheat pools back in 1929. And when the wheat pool did that—and I am talking about the Saskatchewan wheat pool—when they thought that a dollar was high enough, they were compelled by the delegates to put it at $1.25.

Now, we went through that year. We had enormous losses, because the price of wheat went down. I say "we", because I was a member of it and I am still a member of it, and had something to do with starting it up in the first place. And so we took the losses that year because we set the initial payment too high, and because we were not permitted to lower it until sufficient wheat went on the market for the pools to have very considerable losses.

Now, the next year Mr. Bennett agreed to become more or less responsible for the losses they had incurred by guaranteeing the pools at the banks, guaranteeing their accounts, and allowing them to go on for a time on the condition that they allowed him to appoint a chairman, a one-man board, who would go ahead and handle wheat. Mr. McFarland was put in charge of wheat. And then, during the year that followed, the provinces were appealed to to put up money or rather to put up security against money that had been lost by the wheat pools. And the three provinces did that.

The outcome of that was that the Saskatchewan government, a province where more than half the wheat is grown, became responsible for something well over $20 million. The legislation was put through the house while I was a member of it; as a matter of fact, while I was leading the opposition. And I opposed some of it. Nevertheless the legislation went through. But it tied up the wheat pool in Saskatchewan over a twenty-year period. And, do you know, it is only three or four years ago that the pool was celebrating having made the last payment on that loss that was taken at that time.

[Mr. Gardiner.]

Why was it taken? It was taken because the delegates who met at pool meetings in 1929 insisted upon a high initial payment, putting the pool into a position where they had to get the guarantee of governments in order to be able to carry on at all. And so the government stated how the policy was going to be conducted, and they put Mr. McFarland in charge of handling the wheat.

I do not know whether Mr. McFarland was told what to do. I only know that what he did do was to build up a greater and greater surplus during the time he was there. And when we came into office, or shortly after we came in, he had 298 million bushels of wheat in store, in 1935. Well, we asked him to sell it. My hon. friends the other night were calling this a fire sale. We asked him to sell the wheat. Why did we ask him to sell it? We asked him to sell it because we were of the opinion that to pile up wheat in this country and to hold it off the market with the idea you are going to improve the price was a wrong policy to follow; and that, as a matter of fact, the only way in which you could improve the price was to have the wheat eaten up at some price people were prepared to pay.

So we said, "Sell it". He said he would not sell it; so we got a new board. The new board sold the wheat with the result that in 1936 wheat averaged $1.22 a bushel, whereas it had been in the 80's at the time the order to sell was issued. And then the next year it was $1.31 a bushel. And so the farmer made the difference between about 84 or 86 cents a bushel as it was when the action was taken and $1.22 as the average in one year and $1.31 in the other.

All I am suggesting tonight is, that in so far as the farmers of western Canada are concerned—and that does not include very many fellows in the C.C.F. group—they are not going to have a board that is operating for them take the same kind of position again. They know what the results are. They know that a minister who comes here to this house and indicates that he has a clear line of policy for selling this wheat and getting it on the market is right. I made a statement the other day similar to what I am making now. I was speaking out in Saskatchewan; and of course when you are talking in the open air at a meeting, where they have loud speakers, covering about 40 acres, you cannot judge the attitude of listeners very well. But three or four men came to me after the speech was over and they said, "There was only one remark we heard while you were making that speech". I might say that they were not all speaking to me at the one time. Each one said, "The only remark we heard them making was this, 'He is dead right' ".

If my hon. friends are doing as the hon. member for Rosthern suggested they were doing—that is, if they are just trying to get votes—then I suggest they had better change their tune a little bit. Because after all the farmers in western Canada, particularly in Saskatchewan where more than half the wheat is grown, know this question just as well as any member in this house. They know what is in their interests, and they know what is not in their interests. And because they know I believe they are in support of what the government is doing at the present time.

My hon. friends in the C.C.F. have been very anxious during the last two or three days to say that the farmer in Saskatchewan is prosperous. It is not a month since they were panning me in every newspaper and on every platform in western Canada because I had said that the farmers were getting along better at the present time than they had at any other time in my experience. And now they come here and try to compete with one another in telling us that the farmer in Saskatchewan is well off.

**An hon. Member:** The hon. member for Qu'Appelle (Mr. Mang).

**Mr. Gardiner:** My hon. friends apparently are getting concerned about the hon. member for Qu'Appelle quoting their leader in the province of Saskatchewan, who happens to be the premier of Saskatchewan. Well, all the hon. member for Qu'Appelle did was to take the pamphlets that are being mailed through the mail every morning. I know that because I get one every morning. And the pamphlet quoted here the other night by the hon. member for Qu'Appelle was a pamphlet which I got a few days earlier telling me about the wonderful prosperity we have among farmers in Saskatchewan. As a matter of fact they said that while other provinces may be going down in the matter of returns and while other provinces may not be coming down in the matter of the cost of putting their products out, they went on to prove that Saskatchewan was in a better position than any of the other provinces.

Well, if they are I am very glad to hear it, because that is where I farm myself; and I know something about what farmers' returns are in Saskatchewan. I know something about what the condition of the farmer is today, as compared with the condition of the farmer in any other year since the beginning of the first war. And, knowing that, I am in agreement with some of the things which the Saskatchewan government said. But I am sure my hon. friends who represent the C.C.F. party in this house did not get very much out of what he said to back up anything they have been saying lately. They have been suggesting that the farmer is going down and down. And when they are making that statement, knowing that probably there is not much to back it up, then they change it by saying, "If he is not going down and down, all right, he will be some day."

Well, we have been hearing that ever since the war ended. These gentlemen must pray every night that we will get a depression in Canada. When they get up to express themselves in this house and outside of it that is what they continuously say, and most people who do pray talk about the things they pray about. So these gentlemen over there no doubt hold forth on that ground. Is it the pamphlet published by the government of Saskatchewan which changed their tune?

Well, the farmer can stand more for his wheat. As a matter of fact, quite a lot of people thought he might get $2 or more for it. I recall one of them who was expressing these views very freely a while ago. A newspaperman came to me while I was out west there last week and asked me what I thought about it. I said: "Well, I have learned long ago not to be too free with prophecies with regard to the price of wheat".

**Mr. Rowe:** That is only recently.

**Mr. Gardiner:** He said: "You are just as bad to get a statement out of as my friend who was talking about it a short time ago and saying that we as farmers out here should not think of anything else but getting the high price which the governments were asking for their wheat at the time the international wheat agreement was under discussion". Well, I said to him at the time, and I am going to say it here, that fortunately or unfortunately, whichever it might be, depending on what you are thinking, we must depend on selling a greater part of the wheat, or at least more wheat to Britain than we sell to any other country in the world if we are going to market our wheat, and Britain no doubt will have something to say about what she pays for it.

We are not doing something any different from what we have always done in that regard. We do discuss these things with the British; we do discuss them with our United States friends to the south; and the only time, you know, that Canada did not discuss it with our United States friends to the south was back in 1932, and everybody knows that this government was not in power then. And what happened to wheat? When it was not discussed with the United States,

when they did not know what we were going to do and we did not know what they were going to do, then the price of wheat was, as the minister said the other day, as low as 46 cents a bushel. As a matter of fact, I remember selling wheat that year for 26 cents a bushel.

**Mr. Rowe:** Because you did not discuss it with the United States?

**Mr. Gardiner:** Partly, because you did not when you were in the government.

**Mr. Rowe:** Because you did not discuss it with the United States?

**Mr. Gardiner:** That question was not discussed with the United States.

**Mr. Rowe:** That was not the reason.

**Mr. Gardiner:** But, as the minister has been telling you from time to time—

**Mr. Rowe:** That was not the reason.

**Mr. Gardiner:** —we do keep in close touch with our United States friends to the south. We keep in touch with them with regard to the marketing of products in their country and with regard to feeding people in different parts of the world who require to be fed, and we try to co-operate in such a way as to get not only their farmers but our own farmers the best possible return for the products they are selling, and more particularly for their wheat.

Something has been said about the costs going up. I have been told during the last two or three weeks by people who sell the most expensive commodities that the farmer buys in western Canada that they are not making many sales out there at present. Now that is true. My friend says it is right. Of course it is right. But there is more than one reason why it is right. The chief reason is that during the war farmers could not buy new machinery at all. They were refused the right to buy, with the result that when the war was over the equipment on every farm in western Canada was run down to such a state that farmers had to get new equipment, and unfortunately perhaps for us we had to compete with the Korean war in getting it and the prices were high. But nevertheless the returns were sufficiently high that farmers could go and buy, in spite of that fact. As hon. members from Saskatchewan know, we have I think the most advanced implement legislation there is in any province in Canada out in Saskatchewan. It has been there for a long time. I have no doubt that by the time this gets out in print the present government out there will be taking credit for it, but it happened away back in 1915, so that there is not much credit coming to them. It has been amended from time to time, and as the law now stands it is almost impossible for a man out in that province to get an implement unless he is able to pay about 50 per cent in cash. And that is not a bad thing for him either.

But he has been buying implements under that legislation and he has been getting himself equipped until today—I think every hon. member who comes from that section of the country will agree—he is as well equipped or a little better equipped than he ever was before, and equipped with expensive machinery. The only worry that some of us have had about it is whether he will get the machinery entirely paid for before he runs into difficulties in connection with the marketing of his wheat and the returns which he obtains for it when he does market it. If he is able to pay off anything that he owes on the machinery and go on operating from there he will be doing very well.

What the implement companies tell me is that during the last year, and more so during this year, their sales have been going down very materially. But they know that that is not only because there have been some reductions in the prices of commodities in 1953 as compared with 1951. They make their comparisons between 1953, and 1948 and 1949. They know that one of the reasons is that the farmers are equipped with good implements, and therefore at the present time they are not buying more. They are able to get along, and my hope is—I am sure it is the hope of every hon. member who comes from western Canada—that our farmers will go along with the kind of equipment which they require in order to do the job that they are doing efficiently, and that they will not be led into investing too much in farm implements and other equipment, particularly if they can get along well without getting that new equipment. The implement people think that that is what they are doing. They think the farmers still remember the days when they incurred considerable indebtedness in order to get the things that they required.

Hon. members on the other side of the house, and particularly the hon. member for Moose Mountain (Mr. McCullough), said this afternoon: Yes, of course it is true that the indebtedness of the farmers has gone down. The mortgages are not as high as they were; they are paying them off and conditions are better today than they were at some other time, and what I am praying for—and I am sure my friends will pray along with me—is that we shall get along with the marketing of this wheat.

Why, we have had the three biggest crops that we have ever grown in western Canada.

Well, you can come here and quote statistics that the farmer has more wheat than he ever had before. The fact is that he grew so much wheat in the last three years—he grew more than he ever grew before—that he could not possibly have been in any other position than to have more wheat than he ever had before. I am still agreeing with the Minister of Trade and Commerce that it is not a bad thing for the farmers in western Canada after those three years experience to have some wheat on their farms and to be in the position that they are today where they can sell a whole year's wheat over the year that is ahead or over the months that are ahead, even if they have a poor crop. When they do, if they do get the return which is offered now, and if they do not get any more than that, the fact that they have produced on an average about twice as much, from 75 per cent to 100 per cent more than they did before in other three-year periods, they will have more in cash for the labour that they put forth in order to produce that wheat than they have ever had on any other occasion.

After all the labour he puts forth and the costs he puts into his implements and other requirements are the real costs of producing so much wheat. If he gets 50 per cent more than he expected to get or 75 per cent more than he expected to get, then it is not a case of his costs having gone up as compared with what he sells, it is a case of his sales going up as compared with what he had to pay in costs. And those farmers tell me that so long as we have a Minister of Trade and Commerce who is optimistic, who does think that he can sell the wheat—because he thinks he can sell it, he probably will—then they are in the best position that they can possibly be in.

Even my hon. friend who runs a hardware store in Moose Jaw will agree that if his business is run on that principle he will be all right for quite a long time.

**Mr. Speaker:** I am in a very difficult position because, like myself, hon. members have seen the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) rise on three previous occasions, and perhaps at this time one of them might yield because I think that would be the best thing to do. I appreciate the co-operation of the hon. member for Dufferin-Simcoe (Mr. Rowe).

**Mr. W. Ross Thatcher (Moose Jaw-Lake Centre):** I will take only about five minutes, Mr. Speaker. I think there is one fact which has emerged in this debate so far. Whether hon. members come from the east or the west, whether they are Liberal, Conservative, C.C.F. or Social Credit, after listening to this debate I think they must realize that the western farmer today is having marketing difficulties.

We are in real trouble with our wheat. This is not a matter of levity in western Canada. Our granaries are jammed to capacity, our elevators are filled, and we have wheat lying out in the fields. It appears moreover, that we will have another bumper crop this year.

In view of these facts our farmers naturally are concerned. Thus it seems to me that the main purpose of this debate today should be to discuss what can be done about our huge wheat surplus; what can be done about this 700 million bushels of wheat which is presently on hand.

I listened to the spokesman of the Conservative party today. I heard their amendment to the effect that this house regrets the government has failed to deal effectively with the problem. I am inclined to agree with them, but what alternative have the Conservatives to offer? I listened to government spokesmen also, including the minister tonight, and I did not hear them propose any solution over and above what they have given us so far.

Now, Mr. Speaker, I have two or three concrete suggestions I would like to place before the house if I can do it within the five minutes at my disposal. I do not think there is any easy or obvious solution to our wheat surplus. I do not feel there is any magic formula. I am convinced there is no simple answer. But I do believe there are a few steps which could be taken. I feel that no one in parliament should treat this wheat problem with indifference, and I do not think we should meet the problem with inaction. On the other hand, I do not think hon. members should panic.

Speaking personally I cannot get too worried about having had bumper crops in western Canada. I cannot get too worried about having too much wheat. It is a lovely problem to have. But despite the fact that we should not treat our surplus as a liability, there are some steps we have to consider taking without delay. I agree with the Minister of Agriculture (Mr. Gardiner) that following the United States procedure of cutting acreage is not the answer, and I do not think a price war is any satisfactory solution.

What can we do? First of all I think the Department of Agriculture should go out to our farmers in western Canada and urge them to feed as much grain as possible to livestock, hogs, turkeys, chickens, and sheep. I have always believed that in western Canada it would be a sensible thing to have a

more diversified agricultural economy. It is good insurance in case we hit low prices for grain, and it is good insurance in case we hit a drought.

Today with so much grain on hand, surely it is more sensible than ever for every single farmer in the west to get into diversified farming. I know some hon. members will probably say, "Well, if they go into cattle and hogs we will then have a surplus of meat." To a degree that may be quite correct. But, Mr. Speaker, I do not think our farmers today are taking full advantage of the Geneva agreement provisions, which permit us to sell these products to the United States.

For example, where cattle are concerned, there is today a cent and a half per pound tariff on the first 200,000 calves and the first 400,000 cattle of 700 pounds or more which we sell annually. Last year we sold to the United States only 2,000 calves and 45,000 head of cattle.

As far as hogs are concerned, under the Geneva agreement we are entitled to sell all the hogs that we can produce if we want to pay a tariff of one cent per pound. Yet last year we only sent 20,232 swine to the United States. As far as sheep and lambs are concerned, we can send unlimited quantities down there at a tariff of $3 per head. But last year we sent only 153 sheep to our southern neighbour.

As far as poultry is concerned there is a tariff of two cents per pound and there is no quota. But last year we sent only 227 turkeys and 45,000 poultry of other kinds. Therefore, Mr. Speaker, I say again that if we can be sure that the United States will not renege on their commitments under the Geneva agreement, I think there is a very real market for our farmers in which to sell livestock and poultry in the United States. I suggest this is the first practical method which we should follow to get rid of our huge grain surplus. Let the government help the farmers to help themselves. I think that literally dozens of millions of bushels of wheat could be marketed in such a manner.

In the second place, Mr. Speaker, I am not convinced that the government is doing a good selling job as far as the iron curtain countries are concerned. The other day I mentioned that I did not think the Department of Trade and Commerce has done such a good job of selling. Only a month ago the Russian ambassador said that his country was willing to buy wheat. Two officials from the Russian embassy called at the Department of Trade and Commerce, but all our officials did was to give them a few prices. They did not follow up the sale in any way at all. I do not think aggressiveness was shown nor selling capacity. I do not feel that advantage is being taken of that potential market.

We know that Russia, China, and other countries behind the iron curtain are very badly in need of foodstuffs. When we have 700 million bushels of wheat in western Canada I simply cannot see why we cannot get together. I think something should be done by the government to increase sales to eastern nations.

In the third place, and I am rushing, I think our government should do a little more than it is doing as far as our immigration program is concerned. I think it is sensible for our government to bring people into Canada to consume our grain and foodstuffs. I fully realize that there is considerable agitation throughout the country at the present time for curtailing immigration. The trade unions are a little bit afraid of it. But as far as our farmers are concerned, Mr. Speaker, I think there is nothing more realistic than to have a larger domestic market right here at home. I hope the government will not yield to some of the pressure which has been put upon them recently to reduce the immigration quota. I think we are always likely to have a farm marketing problem as long as our population remains as low as 15 million.

I shall close in a minute but before I do so I want to say that I think the Minister of of Trade and Commerce (Mr. Howe) should be interested in barter deals.

**Mr. Howe (Port Arthur):** Huh!

**Mr. Thatcher:** The minister says "huh" but there may be some countries interested in buying our wheat which would like to indulge in barter. I admit it is not ordinarily a good way to do business, but if it is the only way in which we can sell wheat to Russia or some other country, then let us have barter. Even in my own business I sometimes have customers who cannot pay cash immediately and if that is the case I extend long term credit. Might I then suggest to the Minister of Trade and Commerce that perhaps some potential purchasers of wheat need long term credit, and if that is so let us extend it to them. I believe too, Mr. Speaker, that it might be sensible for Canada to consider giving very modest gifts of wheat to some of the needy nations of the world. I certainly would not recommend going overboard—there are sensible limits to such a program. However, such a program should be considered.

Mr. Speaker, I have tried to stay within my five minutes. Before sitting down, may I repeat that there are several things this government could do. If they do not act the

western farmer is going to be in trouble; and as soon as the western farmer is in trouble, the difficulty will be like a snowball, it will react right through our economy as a whole.

**Hon. W. Earl Rowe (Dufferin-Simcoe):** Mr. Speaker, may I call it ten o'clock?

**Mr. Howe (Port Arthur):** No.

**Some hon. Members:** Go ahead.

**Mr. Rowe:** May I move the adjournment of the debate?

**Mr. Abbott:** Go ahead.

**Mr. Harris:** Mr. Speaker, I think the house will realize that we sat beyond ten minutes past ten last night. Perhaps we could go further tonight without prejudice to a decision on any succeeding night. I think it is probably the desire of the house that we complete this debate so that there might be a recorded vote rather than having it go over until another day, although I realize that we shall have to make another motion to go into supply tomorrow. However, I think hon. members would like to dispose of this debate tonight.

**Some hon. Members:** Hear, hear.

**Mrs. Fairclough:** I do not think so.

**Mr. Speaker:** Is it agreed that we carry on with this discussion?

**Some hon. Members:** Agreed.

**Mrs. Fairclough:** No.

**Mr. Rowe:** Mr. Speaker, it is not my desire to break the rules of the house, even to please the government. It is now ten o'clock and I know there are many who feel—

**Mr. Howe (Port Arthur):** The hon. member has not much to say, anyway.

**Mr. Fleming:** Speak for yourself.

**Mr. Rowe:** If I were sitting where the Minister of Trade and Commerce (Mr. Howe) is sitting, I would not have much to say having regard to the spectacle that is presented to the Canadian people today so far as the sale of wheat is concerned.

**Mr. Howe (Port Arthur):** Carry on.

**Mr. Rowe:** I thank the minister for the privilege. I had it anyway. I have the privilege of carrying on in this house without its coming from the Minister of Trade and Commerce. Tonight, as I listened to the glibness of the Minister of Agriculture (Mr. Gardiner) about the marketing situation of Canadian farm products and his reference to what had happened back some twenty years ago, several thoughts went through my mind. I know that every colleague of the Minister of Agriculture joins with me in saying that we are delighted to see him so much improved in health and back to his old-time vigour. I always had great admiration for the minister. I am delighted to see his physique improved to its old form, even though his mentality has not changed.

But even when the minister is not as physically fit as he is now, he is probably the most mentally agile and glib member in the house. When I hear him saying that the reason we took a low price for wheat in the 1930's was that we did not discuss the matter with the United States of America, I am reminded that he is harking back to and re-echoing the old-time policy of the party to which he belongs. As early as 1887 they proposed commercial union with the United States. Down through the years of reciprocity and all the rest of the years they have been looking north and south instead of east and west.

During the course of the very speech he made tonight, the minister re-emphasized on two or three occasions that the best market in the world we had for our wheat was the United Kingdom. Yet at the same time he said that the reason we did not sell the unsold wheat that was left by his party when this party came into power in 1930 was that we did not discuss the matter with the United States of America. Imagine his saying that, Mr. Speaker! If he had not said it so loudly no one in the house would have believed it; but, Mr. Speaker, when he said it so loudly, even the Minister of Justice (Mr. Garson) applauded. Can anyone fathom such ridiculousness?

**Mr. Knowles:** Louder!

**Mr. Rowe:** Even if you did not hear me, you believe me.

**Mr. Knowles:** Even if we do not believe you, we enjoy it.

**Mr. Rowe:** I am not much concerned, Mr. Speaker, whether he believes me or whether he enjoys me. I know that no one in Canada will believe it. Certainly those intelligent farmers that he speaks of in western Canada will not do so. They are just as intelligent as are the farmers in eastern Canada. Why in the barber shops, in the pool shops and in the garages in Canada they would laugh at such a statement. They would actually laugh at such a statement.

**Mr. Gardiner:** We handed you only 76 million; you left us 298 million.

**Mr. Rowe:** You might as well talk about millions as far as the other producers in Canada are concerned. What about the iron ore and the mineral producers in the

thirties? What about the pulp and paper producers in the thirties? What about the producers of any other articles you like? Let me say this to you people who are always talking about getting farm implements cheap for the farmers of Canada. I bought implements in 1930 and I bought them for $110 whereas I am now paying $800.

**Mr. McIlraith:** You now have the money with which to pay for them.

**Mr. Rowe:** Probably we did not have the money then; but Mr. Speaker, that is not the issue. If it had not been for the sharp interjection or interruption, Mr. Speaker, you would probably have called me to order for even answering something that is so irrelevant to the issue that is before us.

The Minister of Agriculture speaks about the way in which we sold wheat. Every hon. member within sound of my voice knows that every elevator in Canada was bulging and overloaded with unsold wheat when the Conservative party came into power in 1930, and that every lumber yard that had not been burned for insurance was overloaded with lumber that had not been sold. Nobody knows that better than does the Minister of Agriculture.

**Mr. Gardiner:** I did not burn any.

**Mr. Rowe:** There was not a sale for anything in Canada when his party went out of power and one of the reasons was that which the minister has mentioned tonight. From 1921 to 1930 their eyes were cast north and south again. In 1921 we sold to the United Kingdom more beef, more bacon and more wheat than we have sold in practically any other year until this late war came on. Whenever we mention an imperial conference they scoff at the suggestion. They think we are thinking of nothing but the old empire, the British commonwealth and the union jack.

On the hustings the Minister of Agriculture and his cohorts will say that this party talk about trade but keep themselves wrapped up in the union jack. But down through the years, for the last 50 years—yes, for the last 75 years—we have had a favourable trade balance with the United Kingdom. As the Minister of Agriculture has so well said tonight—and no one knows it better than he—the best market in the world available to the Canadian people for wheat and for mixed farming products is the United Kingdom market. The only other market that is better than that one for agricultural products is the market right here at home; and that market is not improved by listening to Washington. To say that the price of wheat in Canada went down as low as it did in 1930 because we did not discuss it with Washington when the United States of America were selling their wheat in Buffalo at exactly the same price is just nonsense. Why, Mr. Speaker, such nonsense in this issue is not even politically attractive. It is only a political nuisance.

**An hon. Member:** It surely is.

**Mr. Rowe:** I hear "carried" outside the curtains, the echoes made by those who keep speaking inside the curtains. I know that remarks like that are more popular out there than they are in here. But if you look at the spectacle of what has happened, here is what we find. The Minister of Agriculture will remember it very well. I cannot recall the exact statistics because I did not intend to speak and I have not any notes. However, I will do as the Minister of Agriculture has done so well in the past and say this: If my statement is not exactly correct, it is not an error of intention. In fact, I have heard him modify his remarks in that way on many occasions previously. It is a neat way of being reckless and yet having people believe that you are honest.

**Mr. Dickey:** Go ahead. Be reckless.

**Mr. Rowe:** No, I am not as reckless as the hon. member even though he does not speak as much in the house as some others. I am not even reckless in my thinking. I suggested a few years ago that we should sell our wheat more or less according to the law of supply and demand and that we should not try to be so generous as to accept less than the world would give us for our wheat. In those years the farmers of western Canada, those intelligent friends of the minister, were losing $300 million to $400 million a year by having to take much less than the world price. I can well recall that at that time the minister said to me: You have not as much confidence in the British traders as I have. I remember saying to him that very shortly he would find that the British traders would buy wheat where they could buy it the cheapest. I wonder whether he does not recall that. He nods his head in approval. Thanks for the sporting gesture of indicating that I was right once.

**Mr. Gardiner:** Oh no, I just recall it.

**Mr. Rowe:** But now he suggests that we must sell where we can sell. I say to the Minister of Trade and Commerce, and others have said the same thing at election time, that

this Howe-Gardiner salesmanship corporation has brought about the greatest fiasco of a gamble with somebody else's money that has ever been seen in any corporation in Canada. The Minister of Agriculture has got more butter than he knows what to do with. The Minister of Trade and Commerce is selling pork to Russia for one-quarter of what it cost. They have more wheat now that they cannot sell than has ever been stored in Canada with the exception of 1929 before the Liberals went out of power. The two high record years have been while they were in power. They were in power from 1921 to 1930, and remember, Mr. Speaker, that during those years we practically lost our whole British market. Here in this house in 1926 and 1927 they said that the great hope for the farmers of Canada was to sell their farm products to the United States. We have never believed that.

We do not believe that we can hope for a permanent agricultural market in those southern areas, in that great climate, in that rich agricultural country that produces surpluses of wheat and surpluses of almost everything else. We sold 255 million pounds of bacon to Britain in 1921. We sold $80 million worth of beef at a much lower price than the price of beef today. We sold all sorts of butter, eggs and bacon products, but by 1930 we were importing Danish bacon to feed our own people. It was being sold right in the minister's own province of Saskatchewan. They were taking your barley from Saskatchewan to fatten their hogs in Denmark and selling the bacon back to you so you free traders could eat Danish bacon in western Canada.

Yet, Mr. Speaker, they tell you what they have done to establish these markets. Now we have the spectacle again. We have more unsold wheat than anyone ever anticipated since confederation, and these are the gentlemen who now tell you about the sales that were made back in the thirties. We now have the spectacle of a group of men who refuse to negotiate with Britain, so much so that Britain refused to remain in the international wheat agreement deal and proceeded to buy wheat where she likes. Instead of getting a price of $2.05 they are now intimating tonight that we may even have to take $1.42.

**Mr. Howe (Port Arthur):** Who intimated that?

**Mr. Rowe:** I do not think it is a fair statement to suggest that the Minister of Trade and Commerce said that. I think he said it facetiously when somebody said we might have to take $1.42. He said we might have to take another 10 cent drop, and I should not say that he suggested $1.42 because neither he nor anyone else would hope that we will have to take that. But it shows the trend of the times. It shows the change of policy. It shows the change of attitude that these gentlemen who refused $2.50 are now suggesting, even facetiously, that they will take the price that anyone else will give them. The Minister of Trade and Commerce said the other night that we will sell wheat where people will buy it. That is about the most sensible thing I have heard him say in the house in a long time—

**An hon. Member:** Hear, hear.

**Mr. Rowe:** —because the old law of supply and demand must control. I hear some hon. member saying "hear, hear". Of course, Mr. Speaker, you can get "hear, hear" from that side of the house on any kind of issue. If I suggested the highest kind of protection policy I bet that the hon. member for Waterloo North (Mr. Schneider) would say "hear, hear". If I made the wildest free trade suggestion that has ever been proposed in the house I bet the hon. member for Rosthern (Mr. Tucker) would say "hear, hear". If I suggested a socialist program that would put my friends to the left to shame I bet there are three or four hon. gentlemen over here who would say "hear, hear" if they thought their leaders were not watching them. So, Mr. Speaker, it is a great party.

**Some hon. Members:** Hear, hear.

**Mr. Rowe:** Yes, Mr. Speaker, that is the only thing they are in agreement about, when you suggest they are a great party, because they involve every stripe, every brand, every political temperament, every fickle idea in politics that there is in Canada and out on the hustings. Nobody knows what they all stand for; God only knows what they each stand for.

**Mr. Abbott:** Hear, hear.

**Mr. Rowe:** The result is that today we have no sound marketing policy. The Minister of Agriculture did not tell us what the policy is. The Minister of Trade and Commerce came here and said that we will sell as cheaply as anybody else in the world. We have no fiscal policy. God alone knows what the fiscal policy of the Liberal party is today. We have all sorts of textile products coming in here from other countries, heavy machinery, and men unemployed. Some of them on that side of the house want free trade, others want protection and the leaders are afraid to say. The right hon. gentleman

who is always glib would be afraid to rise tonight and say that he believes in free trade so far as these industries are concerned.

**Mr. Gardiner:** You might be surprised.

**Mr. Rowe:** The Minister of Trade and Commerce would not rise tonight and say: We will sell wheat as cheaply as anybody else and we will buy for the western farmers textiles and heavy machinery wherever we can buy the cheapest. It would not be fair to ask the Minister of Finance (Mr. Abbott) now because he is going to be judge over all pretty soon. But I know that in his heart of hearts he knows that he has been associated with the greatest conglomeration of mixed policies that the party has had since confederation. They have been all things to all industries; all things to all men, and all types of protection for all phases of policy. The only one who can laugh through it all is the Minister of Justice (Mr. Garson) because he has been on both sides so often.

The Minister of Agriculture prompted me to rise tonight when he suggested that I was among those responsible for the fiasco between 1930 and 1935.

**Some hon. Members:** Hear, hear.

**Mr. Rowe:** Yes, they all say "hear, hear". Some of you younger members who are saying "hear, hear" were not even here. But, Mr. Speaker, as the Minister of Finance so well said the other night, because he has moments of sincerity, no particular party was responsible for the fiasco of 1930.

**Mr. Abbott:** Who said that?

**Mr. Rowe:** He should explain that to these young hecklers.

**Mr. Abbott:** You must have been dreaming.

**Mr. Rowe:** And they know it as well or they would not be worthy of being here. They know that there were 35 million people unemployed throughout the world, that there were 15 million people unemployed in the United States and two and a half million unemployed before this party came into power. Every elevator was filled with unsold wheat and every lumberyard was filled with unsold lumber. Every elevator today is filled with unsold wheat. If it had not been for pre-war, wartime and post-war policies that bailed the government out of a situation for which they had no policy this country would have noticed their weakness in fiscal policy long ago.

I am not going to delay the house. I do not believe in holding the house after ten o'clock. The group that sits to your right, Mr. Speaker, no doubt like to rush things through when the session is drawing to a close. In fact, in the quarter of a century that I have been here I have noticed there is a cunning device used to try to get contentious measures through, either late on Friday night or some time after ten o'clock.

**Mr. Sinclair:** You were never here late on Friday night.

**Mr. Rowe:** I am glad my hon. friend misses me because if he were not here the fact probably would not be noticed at all. I do feel that this is not a rule we should follow. I would have preferred an adjournment tonight and continue the debate tomorrow. I wish to say that the wheat problem in this country is a serious one. I know that everyone hopes we can sell all the unsold wheat possible.

I am not one of those to whom the Minister of Agriculture referred who is hoping for a depression in this country. We have a serious situation. Personally, I do not believe the government has handled it well. I believe they thought that No. 1 hard wheat could be sold for whatever they wished to ask for it. They refused to take a reasonable price. Fortunately, they have now changed their minds and are ready to deal on a sensible basis. Whether or not wheat prices go lower, as the Minister of Trade and Commerce said, the thing is, and I say this as a farmer myself—

**An hon. Member:** Oh, oh.

**Mr. Rowe:** My hon. friend laughs, but I have always lived on a farm and have been responsible for growing quite a lot of wheat. While we do not grow as much as some of my friends in western Canada, and the Minister of Agriculture gibes me a bit, I think perhaps I have farmed more than he has. In the last two years his government has been chiefly farming the farmers, so far as selling their products is concerned.

I say that there is no farmer within the sound of my voice who wants to be pap fed by the state by means of subsidies. I believe we have to get down to a common sense business basis. On this point I do find myself somewhat in agreement with the Minister of Trade and Commerce, even though it is a new idea of his, that we must sell where we can sell. If the price is not as good as we had expected, it is an honest price. As a farmer, I do not expect other people to pay for my lower prices on wheat.

**Mr. A. M. Nicholson (Mackenzie):** I realize hon. members are anxious to conclude the debate, but since I understand there are some other speakers I should like to move the adjournment of the debate at this stage.

**Some hon. Members:** No.

**Mr. Nicholson:** There have been two very provocative 40-minute speeches delivered from the other side since eight o'clock, and I think hon. members should not be asked to allow those provocative speeches to go unanswered at this time of night.

On motion of Mr. Nicholson the debate was adjourned.

## BUSINESS OF THE HOUSE

**Mr. Harris** moved the adjournment of the house:

He said: We shall continue this debate tomorrow and if we get into supply we will call trade and commerce until one o'clock, then transport, secretary of state and agriculture.

Motion agreed to and the house adjourned at 10.25 p.m.

# HOUSE OF COMMONS

**Wednesday, June 16, 1954**

The house met at eleven o'clock.

## CRIMINAL LAW

CONCURRENCE IN THIRD REPORT OF JOINT COMMITTEE

**Mr. D. F. Brown (Essex West)** presented the third report of the joint committee of the Senate and the House of Commons on capital and corporal punishment, and moved that the report be concurred in.

Motion agreed to.

## BUSINESS OF THE HOUSE

MUNICIPAL GRANTS ACT—STATEMENT ON INTRODUCTION OF AMENDMENTS

**Hon. Douglas Abbott (Minister of Finance):** Mr. Speaker, on Monday last, in reply to a question from the Leader of the Opposition (Mr. Drew), the Prime Minister (Mr. St-Laurent) indicated that I would make a statement as to whether it was intended to proceed at this session with the amendments to the Municipal Grants Act. As I stated, I think last week, the government had hoped to be able to proceed with that measure this session, but the legislative program has been heavy, and in view of the fact that the amendments would not be operative until the calendar year 1955, the usual municipal year, no prejudice would be suffered by the measure standing over until the next session.

It would be the government's intention to introduce the measure at the earliest possible moment at that session. There is an item in my estimates of some $3 million for the grants for the calendar year, and when that item is called we shall have an opportunity to discuss the matter and I can indicate, in a general way, the nature of the amendments which the government has in mind.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I thought possibly, from the remarks that had been made earlier, there was some anticipation of this. But, on a question of order, I would point out the unsatisfactory result that flows from keeping on the order paper notices that are not carried through. Your Honour has had occasion to rule that, in view of these notices, certain debates which we wished to have in regard to relief for municipalities in connection with excise and sales taxes could not be dealt with because of this. I am not suggesting for one moment that the purpose of having this on the order paper was to produce that result. I would point out, however, that this result does follow from having on the order paper items of this kind that are not then proceeded with. It has been on the order paper since March 22, so that we were blocked from what we do regard as a very important provision for relief of the municipalities.

**Mr. Macdonnell:** May I ask whether the government believes that municipalities have no urgent needs or whether they are to be allowed to stew in their own juice.

**Mr. Abbott:** My hon. friend's language is always somewhat colourful, only exceeded by that of the hon. member for Eglinton (Mr. Fleming). I do not know that I have any special comment to make on that at the moment, Mr. Speaker.

## QUESTIONS

FEDERAL SUBSIDIES TO SALT FISH INDUSTRY

**Mr. Balcom:**

1. Was any financial assistance given to the marketing of salt fish in Newfoundland since confederation but prior to the 1953 production, in the form of subsidies to producers, purchasers of surplus production, or currency conversion?
2. If so, what were the total amounts involved?
3. Did Nova Scotia and the other mainland provinces share in such subsidies, purchases of surplus or currency provisions?
4. If so, to what extent and in what form?
5. What assistance was given to the salt fish industry in 1953 and how was the division made in regard to provinces?
6. Were any subsidies paid on 1953 fish to Nova Scotia, New Brunswick or Prince Edward Island?
7. What federal subsidies were paid on 1953 fish, and to what regions?

**Mr. MacNaught:**

1. Yes.

2. (a) Purchase 1949 production, $82,564.52; (b) deficiency payments on Labrador 1950 production, $446,120.15; (c) deficiency payments shore 1950 production, $810,105.11.

3. No.

4. Answered by No. 3.

5. The government purchased in 1953 approximately $950,000 worth of salted codfish for relief purposes in Greece and Korea.

The amounts were: Newfoundland, $500,000; Nova Scotia, $190,000; New Brunswick, $10,000; Quebec, $250,000.

The amounts were based on the carryover of 1952 fish in each province. Deficiency payments were also authorized in Quebec and Newfoundland. The Quebec payments amounted to $37,420. The Newfoundland payments have not yet been made but will approximate $600,000.

6. None.

7. Answered by No. 5.

ARMED FORCES—HENDRY REPORT

**Mr. Dinsdale:**

1. What was the cost of the Hendry report on welfare services for the Canadian armed forces?
2. Where was it carried out and completed?
3. Who defrayed the expenses involved in the preparation of this report?
4. Who has had access to this report?

**Mr. Blanchette:**

1. The sum of $24,220.62 was paid as the cost of a report made for the personnel members committee of the three services by Professor Hendry of the University of Toronto in contract with the defence research board.

2. 1950-51.

3. Defence research board.

4. The staff of the contractor who prepared it and the appropriate officials of the Department of National Defence.

VOCATIONAL TRAINING CO-ORDINATION ACT

**Mr. Boisvert:**

1. Did all the provinces enter into an agreement with the federal government in virtue of the Vocational Training Co-ordination Act, 1942?
2. If so, in what year was an agreement signed with each province?
3. How many disabled persons, in each province and for each year since 1942 to 1954, were provided assistance for rehabilitation training?

**Mr. Gregg:**

1. Yes.

2. (a) Youth training agreement. Nine provinces signed in 1942. Agreement expired 1948.

(b) War emergency training agreement. Eight provinces signed in 1942. Agreement expired 1946. Prince Edward Island signed 1944.

(c) Re-establishment agreement. Nine provinces signed in 1945. Agreement expired 1948.

(d) Vocational schools' assistance agreement. Nine provinces signed in 1945. Newfoundland 1950; Northwest Territories 1953.

(e) Vocational training agreement. Nine provinces signed 1948. Newfoundland 1950, Northwest Territories 1953.

(f) Apprenticeship training agreement. Seven provinces signed 1944. Newfoundland 1953; Northwest Territories 1953. Quebec and Prince Edward Island have not signed this agreement.

(g) Vocational correspondence courses agreement. Eight provinces signed 1950. Prince Edward Island, Newfoundland and Northwest Territories have not signed this agreement.

3. There is no record of the number of disabled persons trained under the provisions of the act prior to 1953. During the fiscal year ended March 31, 1954, 511 disabled trainees were reported by the province as follows:— Nova Scotia 28; New Brunswick 92; Quebec 46; Ontario 223; Manitoba 45; Saskatchewan 20; Alberta 38; British Columbia 19.

HALIFAX—TONNAGE, FREIGHT, ETC.

**Mr. Balcom:**

1. What was the total tonnage of ships entering the port of Halifax during the months of January (a) 1953; (b) 1954?
2. What was the total tonnage of freight handled in and out of the port of Halifax in the same period?
3. What were the total wages paid to waterfront workers in Halifax for the period (a) January 1953; (b) January 1954; (i) stevedores; (ii) checkers?

**Mr. Langlois (Gaspe):**

The national harbours board advise as follows:

1. (a) 600,096 net registered tons; (b) 627,765 net registered tons.

2. 1953—560,013 tons; 1954—443,537 tons.

3. The information requested is not on record in the national harbours board as it is a matter affecting stevedoring companies and transportation companies and contracts for stevedoring services between these respective types of companies.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

NEW WESTMINSTER HARBOUR BOARD

**Mr. Hahn:**

1. Who have been chairmen of the New Westminster harbour board since its inception?
2. How long did each serve?
3. What were their respective salaries?
4. Who have been the other commissioners on the harbour board?
5. How long did each serve?
6. What were their respective salaries?
7. What is the total revenue received by the harbour board each year?
8. What are the details of said revenue?
9. How much revenue does the harbour board receive through any source whatsoever from the following municipalities and districts: (a) Delta; (b) Richmond; (c) Burnaby; (d) Surrey; (e) Langley; (f) Maple Ridge; (g) Pitt Meadows; (h) Coquitlam; (i) Port Coquitlam?

POST OFFICE DEPARTMENT

**Mrs. Fairclough:**

1. What were the revenues and expenditures of the Post Office Department for each of the years 1940 to 1953 inclusive?
2. What are the classifications of postmasters, postmistresses, supervisors and postal employees according to salary category?
3. What is the rate of remuneration per annum paid in the case of each of these classifications?
4. What, if any, expense allowance is provided for any such official or employee supplying office space, heat, light, etc.?

## JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES

**Hon. Stuart S. Garson (Minister of Justice)** moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to amend the Judges Act to provide salaries for an additional judge of the court of appeal for British Columbia and an additional judge for the trial division of the supreme court of Alberta.

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

Motion agreed to.

## WHEAT

REQUEST FOR FLOOR PRICE FOR EASTERN GROWN WINTER WHEAT

On the orders of the day:

**Mr. H. O. White (Middlesex East):** Mr. Speaker, before the orders of the day, I should like to direct a question to the Minister of Agriculture of which I have not sent him notice. In view of the low opening quotation of $1.25 for new crop Ontario winter wheat, is the government prepared to announce a policy, if any, on floor prices for eastern grown winter wheat?

**Right Hon. J. G. Gardiner (Minister of Agriculture):** Mr. Speaker, there is nothing done under the wheat board in connection with that price. The price in that regard is set otherwise.

## TRADE

DECLINE IN EXPORTS OF TOBACCO TO HOLLAND

On the orders of the day:

**Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production):** Mr. Speaker, on Friday last the hon. member for Oxford (Mr. Nesbitt) asked the Minister of Trade and Commerce (Mr. Howe) a question in connection with the decline of exports of Canadian tobacco to Holland. His question





may be found at page 5829 of *Hansard* for Friday, June 11. Inquiries have been made in this respect and I can now inform the house that the decline in Canadian exports of tobacco to The Netherlands can be attributed to the fact that our sales in that market in recent years have been made up of lower grades of tobacco. As a result of favourable growing and marketing conditions in Canada we have not had as much of these grades of tobacco for export during the last two or three years.

## SUPPLY

WHEAT—MARKETING OF SURPLUS

The house resumed, from Tuesday, June 15, consideration of the motion of Mr. Prudham for committee of supply, and the amendment thereto of Mr. Harkness, and the amendment to the amendment of Mr. McCullough (Moose Mountain).

**Mr. A. M. Nicholson (Mackenzie):** Mr. Speaker, yesterday I had a speech prepared that could in no sense be described as a controversial speech, but in view of some of the statements made during the debate yesterday perhaps I will not be able to conclude my remarks without making some critical references to some of the statements made.

The hon. member for Eglinton (Mr. Fleming) spent some time dealing with what this proposal is likely to cost the treasury of Canada. He estimated, first of all, that it might cost the taxpayers $100 million, or perhaps $130 million, or, if the price really went down, it might cost $260 million.

The conclusion one would draw from his remarks would be that the Canadian farmer should be left holding the bag. We are in a critical position. Our whole argument is that all of Canada should stand behind the wheat producers at this critical time and I hope, before I conclude, that I will be able to demonstrate that this is not an unreasonable request.

Let me remind the hon. member for Eglinton that a year ago, on May 6 to be exact, he and members of his party who were here were prepared to support a price for wheat 25 cents higher than the price proposed by the hon. member for Assiniboia (Mr. Argue). Of course, it could happen that the election last year might have been a factor in this regard, but the hon. member for Eglinton and the hon. member for Calgary North (Mr. Harkness) and all the other Conservative members who were here were quite prepared to support the amendment moved by the hon. member for Assiniboia

at that time. That amendment appears on page 4856 of *Hansard* for May 6, 1953, and reads as follows:

this house is of the opinion that consideration should be given to an increase of 25 cents in the initial payment for No. 1 Northern wheat basis in store Fort William/Port Arthur or Vancouver for the crop year beginning August 1, 1953, so that the said initial payment will be $1.65 per bushel.

If that was a good proposal a year ago I submit that the proposal which is before us now is also a good one. I think it is not unreasonable to expect the government of Canada to take some responsibility for supporting the price of wheat.

I might mention to hon. members opposite that apparently only two of the Liberal members from Saskatchewan who voted against this proposal a year ago came back to parliament after the election. They were the hon. member for Meadow Lake (Mr. Harrison), and the hon. member for Swift Current-Maple Creek (Mr. Studer). Apparently it was not too easy for other hon. members to justify their stand in the province of Saskatchewan.

I wish to make it very clear that the members of this group in supporting this subamendment are not criticizing in any way the wheat board or orderly marketing. We have made it quite clear that we would be most unhappy if the opposition should be called upon to look after the marketing of farm products.

I should mention that the share of national income that went to agriculture during the years when the Conservatives were last in power amounted to 7·6 per cent in 1930, 2·9 per cent in 1931, 4·1 per cent in 1932, 3 per cent in 1933, and 6 per cent in 1934. Now, I am not satisfied with the 8·8 per cent of the national income which went to agriculture in 1953, but I must admit very frankly that having 8·8 per cent of the national income is a great deal better than having 2·9 per cent, and the fact that the people of Saskatchewan have been unwilling to elect Conservative members to the legislature since 1929 would indicate that they are very unhappy when they think of the terrible years during the thirties. Therefore, I would like to make it very clear again that we support the wheat board and orderly marketing.

Now, the hon. member for Rosthern (Mr. Tucker) should perhaps be reminded that this is not a motion of want of confidence in the government. If this motion should carry, the procedure would be exactly as it was in August, 1946, when we had a similar motion before the house and when the hon. member for Rosthern and I voted on the same side on this important issue. Let me remind the house of the nature of the amendment which I had the honour to move on August 27, 1946. This appears on page 5425 of August 27, 1946, and reads as follows:

This house desires to record its opinion that consideration should be given to the continuance of the milk subsidy so as to ensure adequate return to milk producers and make possible the consumption of milk for the nutrition of the Canadian people without any further increase in the price thereof to the consumers.

When the vote was called the hon. member for Rosthern and I were on the same side, and the vote was 69 for and 41 against, and the government at that time was not defeated. The present Prime Minister (Mr. St. Laurent) then moved that the house go into committee of supply and the business of the house was then continued.

I submit, Mr. Speaker, that if it was in order for the hon. member for Rosthern to vote for a principle he thought then was sound it would be quite in order for him to vote now in support of the subamendment which is before the house.

However, I take it that he is opposed to the content of the subamendment and he does not think the taxpayers of Canada should be called upon to place any floor under the price of wheat. He thinks that the farmers should engage in a price war with our powerful neighbours to the south who have all the resources of their treasury to subsidize wheat for export.

**Mr. Tucker:** I rise on a question of privilege, Mr. Speaker. The hon. member knows that he is not correctly representing what I said. I said I believed the Liberal party believes in the principle of floor prices and that they believe in giving a square deal to the farmer in order to see that he gets his fair share of the national income. That policy I support. But I do not support a motion which upholds the idea that the whole marketing system has failed.

**Mr. Nicholson:** Mr. Speaker, that statement sounds as though it confirms what I previously stated, namely that the hon. member for Rosthern is not prepared to support any legislation that will give the farmers an assurance that the price of wheat is not going to go down into the cellar again.

**Mr. Tucker:** Mr. Speaker, I am supporting a government which has said that it will make an initial payment which will constitute a fair floor. That is exactly what I am supporting. The hon. member is misrepresenting the situation.

**Mr. Nicholson:** Mr. Speaker, the hon. member made a speech yesterday. I see no reason why he should make two or three

speeches today. The other members on his side of the house will have a chance to carry on the debate.

The news which the Minister of Trade and Commerce (Mr. Howe) broke last week was received all over the world with a great deal of interest. I notice in the air edition of the London *Times* of June 11 there is a story which mentions "hint of a further cut in the price, Canadian carry-over August 1,557 million, four times Britain's annual imports". It points out that during the first nine months of the crop year Canadian exports were down 25 per cent, United States exports down 44 per cent and Australian exports down 36 per cent. That day the Baltic exchange quoted Canadian wheat via the St. Lawrence £28.10s.2d.; via Vancouver £27.14s.6d. The price for Australian wheat for June and July indicates that already there is a little war on: £25.12s.6d.; Argentine wheat £24.10s.0d. I notice that Russia was offering wheat on sample June at £25.0s.0d. The Liverpool price for July 21s.10d.; for October 19s.7d.; December 19s.2d.

From Melbourne there is a dispatch to this effect:

Sir John Teasdale, chairman of the Australian wheat board, issued a statement on the situation caused by the Canadian cut. He would not know the new export price of Australian wheat till the London market had steadied in about a week.

He said that at the meeting next week of the international wheat council, the three main exporting countries would seek an explanation as to why some importing countries had bought such a small percentage of their agreed quotas for the year ending July 31. By May 2, Australia had sold half her quota, Canada 48 per cent, United States 47 per cent.

And a dispatch from Adelaide on June 9:

T. C. Stott, M.P., general secretary of the Australian wheat growers federation, said the Canadian decision to cut the price of wheat was the first step in a price war which would mean the end of the international wheat agreement, and a disastrous slump in prices. There were one billion bushels of wheat stored in Canada and United States which nobody wanted to buy because the regular importers had large stocks. However, there was no reason why the wheat should not be stored indefinitely until such a time as it could be sold at a reasonable price.

I notice in the Montreal *Gazette* of yesterday the following heading, "Wheat Sale Price War Said Looming", and from London this story:

At the same time, there is a strong undercurrent of sympathy for Australian and Canadian wheat growers, who are regarded as members of the family who have struck a bad patch.

While the American farmer will suffer no loss of income since the U.S. administration supports prices, the Australian and Canadian grower has no such cushion.

Then in today's Montreal *Gazette* there is an article headed "Readjustment of Wheat Prices to Provide Headache for IWC". It mentions that some of the things discussed were as follows:

1. Additional export price reductions.
2. Reduction to the IWA minimum price of $1.55 a bushel, thereby asking importing countries to honour their quotas in full.

A third alternative, considered highly improbable because nobody in or out of the IWA wants it, is a cut-throat price war which should shatter the IWA and rebound severely on world trade as a whole.

And still one more story in last night's Toronto *Telegram*.

The *Telegram's* Washington correspondent James Minifie, reports that the Eisenhower administration has brought in Clarence Francis, head of the giant General Foods Corporation, to mastermind the sale, or the disposition, of U.S. food surpluses on foreign markets. He will take what they will bring, cash or barter, from either side of the iron curtain. That cut of a dime a bushel in the price of wheat for overseas buyers obviously was only Washington getting started.

Then I notice that our western papers are naturally greatly interested in this crisis which is developing. I would suggest that the editorial writer in the Regina *Leader-Post* should read the dispatches from their able correspondents in the gallery. To anyone from Saskatchewan it would appear that the writer of this editorial was living in a different country. It goes out to criticize the C.C.F. and Social Credit members for asking that the taxpayers of Canada absorb the loss involved in this 10⅛-cent cut. They point out that this will be an annual handout of $50 million. Apparently the editorial writer for the *Leader-Post* and the hon. member for Eglinton (Mr. Fleming) were unable to get together on their figures. However, both of them are complaining in derogatory terms about the rest of Canada giving a handout to these wheat farmers who come hat in hand. But the editorial writer for the *Star-Phoenix* approaches the problem from a different angle. He points out that there were four main proposals that should receive careful consideration. First of all, he says that the statement made by the Minister of Trade and Commerce indicates that there are further cuts coming; the second point he makes is that the suggestion made by the hon. member for Assiniboia that all the taxpayers should take up any loss should be considered. He also comments on the suggestion made by the Leader of the Opposition (Mr. Drew) that these cuts are going to have far-reaching effects which will not be confined to western Canada. The fourth interesting commentary is on the fact that dispatches from London indicate that the British newspapers do not view this as

an unmixed blessing. They are concerned about the effect that this is going to have on world trade.

From the Canadian Federation of Agriculture has come their June dispatch which complains about the diminishing share of the national income going to the farmer, taking into consideration the farm cost of living. The real net farm income in 1953 was 10 per cent lower than in 1952 and 25 per cent lower than in the peak year of 1951. Using the five years 1925-29 as the base period, the parity ratio reached a peak of 111 for 1948, fell to 106 in 1949, rose to 110 in 1951 and fell for two years to the low level of 87·4. At the present time the cost of goods and services purchased by farmers averaged 3 per cent higher in 1951 whereas the wholesale price of farm products averaged 18 per cent lower. Just this morning I received a letter from the Manitoba farmers union, a letter addressed to all western members of the House of Commons, and it suggests with respect to the very bad news announced by the Minister of Trade and Commerce (Mr. Howe) last week that it is hard for western farmers to believe that the government expects them to compete with the United States treasury. They remind us of the statement made by the late prime minister, Mr. Mackenzie King, in his radio broadcast of December 4, 1943, when he said:

> If to help win the war the farmers are asked to accept ceiling prices, we believe they are entitled to a floor under prices to assure them against agricultural depression after the war.

I must take some responsibility for the fact that those of us from western Canada have not done the best public relations job in presenting the problem to our people. I came here in 1940 from an area that had very rough times all during the thirties. I considered that it was one of my duties to try to see that the people whom I represented had their fair share of the national income. I probably could be open to the criticism that the conditions I described possibly did not represent the facts for everybody in the area, but that was the area to which those people came who had lost everything in the drought areas of the province in order that they could start over again on heavy bush land. I admit very frankly that during the last ten years the people of my constituency have handled a good deal more money than they did in the previous ten years, but we are not going to be satisfied until we have our fair share of the national income.

I think all farm organizations and farm members from the western provinces have somehow or other given the impression to



other hon. members of the house that we are crying blue ruin and are always asking for something which is unreasonable. I resent that suggestion very much. In the present crisis we do not want something that the rest of the people of Canada cannot and should not give. I am sorry that I was not a member of the house but was on the farm at the time the debate took place regarding the $65 million that was spent by the people of this country to reimburse the western farmers, but I have heard at least a dozen times since returning to the house that we gouged the treasury for $65 million.

I am sure the Minister of Agriculture (Mr. Gardiner) will not object to my reminding him that he defended the cause of the western farmers on the ground that during the war years the price of their product was fixed at a figure that did not give them the cost of production. The minister, speaking on July 29, 1944, said as reported at page 5624 of *Hansard*:

> I was careful to see that there was nothing in the bill which said that we were going to base any decision on the cost of production. The cost of production may be only a part of the consideration. I think it is possible the board might determine that the farmer should have considerably more than his cost of production because of some other experience he has had in order to get through the transitional period in a proper position.

The hon. member for Battle River (Mr. Fair) who, I am very sorry to see, is unable to be with us, made a very good speech during that debate. It is to be found at page 1081 of *Hansard* of March 9, 1951. He placed on the record some figures that have been played around with in connection with the loss suffered by the wheat farmers because of the British wheat agreement. I am not going to take any time in arguing that if there had not been an international wheat agreement we would have been able to sell all our wheat during those years at the maximum class II price. However, the hon. member for Battle River gave a total figure of $431,676,000 as the alleged amount that the wheat farmers lost because of the wheat agreement, and I think that somewhere between that amount and the $65 million a figure could be set which would be fair.

But I think there can be no argument about the other figures that the hon. member for Battle River placed on the record. They have to do with the losses suffered by the farmers as the result of subsidizing Canadian consumers during the period from 1946 to 1949 inclusive. He gives totals of $34 million, $21 million, $65 million, $9 million and $6 million for the various years, or a grand total of $136 million. I do not think

there is any doubt about it that all the people of Canada enjoyed the benefit of having cheap bread all through that period at the expense of the farmers, who were obliged to buy their farm machinery at prices that were going up every day and every week. All the farmers of western Canada, regardless of their political views, feel that the $65 million voted by the government of the day was no handout but was a very niggardly settlement in payment of an obligation of all the taxpayers of Canada to a group that had produced wheat at low prices during the war and after the war.

After saying that, I admit very frankly that the situation at this time does present a most serious problem. I am not going to minimize it, and it is not likely that members of this group will be over on the government side in the immediate future and have the opportunity to solve it. But I want to outline some fundamental principles. I want to suggest that it should not be a serious problem for the Canadian people to do in peacetime what they did in wartime. The minister of finance of that time outlined the fiscal policy when he said that whatever is physically possible will be made financially possible. Since that was a good policy in wartime it is likewise a good policy in peacetime.

We really should not be concerned about having produced so much foodstuffs in the country that we do not know what to do about it. I want to emphasize again that those who live in industrial cities, those who are lawyers and storekeepers, are going to feel the impact of this trend very shortly. As a matter of fact the situation did not develop in the past week. It has been on our doorstep. It so happened that the government delayed action until near the end of the session. As an indication that these problems affect all of us, may I say that I note in the last weekly bulletin of the dominion bureau of statistics that 78 per cent more commercial failures were recorded under the bankruptcy and winding-up acts in the first quarter of this year than in the first quarter of last year. The last issue of the *Labour Gazette* points out, as does the federation of agriculture, that farm income dropped 13 per cent in 1953 and was down 23 per cent in 1952. They draw our attention to the problem in the United States and point out that one union there reported 400,000 unemployed, that there are over 300,000 coal miners unemployed and 250,000 steelworkers. In the United States there are 950,000 listed as unemployed in three industries alone. In Canada that trend is going to develop. As the Minister of Trade and Commerce (Mr Howe) will agree, the farm implement industry workers, the automobile workers and the textile workers have all been to Ottawa since we came here last November to place their problems before us and ask the Minister of Trade and Commerce to take action.

Naturally, I am concerned about the problem of wheat and what we are going to do. I am indebted to the Secretary of State for External Affairs (Mr. Pearson) for some words of wisdom he used when he spoke to the last annual meeting of the federation of agriculture. He said:

> —any government—these days is in trouble with some of the people all of the time, most of the people some of the time, but not, I hope, with all of the people all of the time.

It seems to me that the people I have the honour of representing have been in trouble with the government all the time. The minister quoted from the poet Willa Cather, who said:

> Life is hard for most people, and when it is easy, it is hardest of all.

After making that quotation, I guess the minister decided it probably was not very appropriate for the group to whom he was speaking, so he quickly added:

> There are times, however, I must confess, when I find it difficult to accept that philosophy that a life of ease is really a life of hardship and vice versa.

The problem that is going to confront the wheat producers is a matter with which I feel the government of this country is going to have to deal. I happen to be in the position where all my worldly possessions, such as they are, are tied up in farmland and equipment. I do not want sympathy from this house or from anyone. If it is a decision that Canadian overseas markets will not absorb large quantities of wheat in the years to come, let us make that decision, but do not freeze the farmers out at this time of year. As the hon. member for Eglinton (Mr. Fleming) pointed out, last year on April 27 the Minister of Trade and Commerce announced that the initial price in 1953 for wheat would be not less than $1.40. He has been involved in some discussion during this debate, but he has not yet said what the price for wheat will be for the 1954-55 crop. He did say there would be an interim payment, but he did not say that all the wheat that is now on the western farms will be accepted at the present initial price and that there will be an interim payment on all the grain that has been grown in the year 1953.

Until the minister is prepared to make a further commitment on these two points, the fact that all the wheat grown last year will be accepted at the prevailing initial price and that there will be a further payment on

all the wheat grown last year, western farmers are going to be in a period of uncertainty. If the government decides that we are not going to be able to sell a large volume of grain, there is no point in western wheat producers trying to compete with the United States. But I suggest that is a decision the government could make, and that the government must make. Again I want to remind the house that twice during my lifetime a Conservative government and then a Liberal government came into the field to take over the marketing of the farmers' wheat during wartime. During the first world war the government stepped in and prevented wheat from going up to a probable $5 per bushel. During the second war when it appeared as though wheat were going up again, the government came into the picture and prevented the farmers from having all that the traffic would bear. Now that there is a large surplus of this product, I feel that the government cannot bail out without making some adjustment for the sins of commission in the past.

The Minister of Agriculture was good enough to refer to the position prevailing in the United States. I want to say again that I am happy I am living in Canada rather than in the United States. But I see no reason why our Department of Agriculture should not be willing to go as far in meeting the needs of the Canadian farmer as does the United States government. The United States government has this large surplus on hand, but they are in a different position. They can give all their surplus food away without having any serious repercussions on their own economy. This action would have a serious effect on our market, but we are not in that position. We export such a large percentage of our production that we cannot give away much without there being quite a drain on our economy.

We must face the facts. At the moment we have about four years' wheat supply for domestic consumption. At the end of the present crop year we will have about four years' supply of the total imports that the British would require. Well, with that situation I feel the Canadian government must look at the problem and must decide who are to take the consequences. I want to say to those who live in Ontario and Quebec that for 50 years it has been part of the policy of Canada to develop the great plains of the west on the theory that we would have overseas markets for unlimited quantities of grain. If that situation is changed, if European countries have now decided that as insurance against war they must increase their own production, subsidize their own production and cut down their imports from abroad, that creates a problem that vitally affects every Canadian.



I submit, Mr. Speaker, that the people of Canada, rather than the prairie wheat producers, should deal with this problem and should face the facts. In the United States they try to deal fairly with the farmer. One farmer has defined the parity price this way:

> If you can sell a truckload of wheat and buy with the money as much food, clothing, building materials, farm machinery, fertilizer, and the like as you could in the five years, 1910-1914, your wheat is selling at the parity price.

That is all the farmers want. They want to be able to sell a truckload of wheat and buy the other commodities produced in Canada.

The Minister of Agriculture had a good deal to say about cutting down acreage. He may remember that during the war he asked the Canadian farmers to help win the war by growing less wheat, by cutting down their production.

**Mr. Gardiner:** And paid them for it.

**Mr. Nicholson:** Yes, and paid them for it. There is no reason why the Minister of Agriculture should not go to the farmers again and say, "We are sorry; we cannot use or sell all the wheat you have been growing. You have made your contribution to the Canadian economy, and we want to play fair with you." I submit that if Canadian farmers were able to get prices like the United States farmers of $2.18 a bushel, there is not a farmer of whom I know who would not be willing to drastically reduce his wheat acreage to get that sort of price. The weekly Searle grain report gives us the comparative prices for wheat, and shows that at Portal, North Dakota, the price was $2.13, whereas at North Portal, Saskatchewan, it was $1.43. I believe everybody will agree that the farmers south of the line buy their machinery at lower prices, as well as their gasoline and other commodities. Their operating costs are lower than in Canada.

May I say a word about the international situation? I feel we must face the fact that $2,000 million per year is a very large amount for Canada to be putting into our defence expenditures. I do not feel we can treat our farmers as has been proposed. It is inevitable that we have some soft spots in our economy if we are going to put such a large amount into national defence. The $2,000 million that we are putting into national defence is not, I think, giving us

the best results in this race in which we are engaged, in an effort to prevent the spread of communism.

Lord Boyd Orr said this:

> The most urgent material need of the world today is food. Prolonged hunger causes social and political unrest, and hinders co-operation, not only between nations, but even within nations. Already the fear of another war casts its shadow on mankind. Statesmen are finding difficulties in laying the foundations of permanent world peace . . . But man and his governments have their eyes on the wrong goal. Hunger is at the heart of the world's troubles. Unless people are fed, the best treaties and agreements can come to nothing. Hungry people cannot be satisfied by anything but food.

I notice that recently in the American congress representative Wiley, chairman of the committee on foreign relations, said this about surpluses:

> I do not view the C.C.C. stocks as an embarrassment to be disposed of as quietly and quickly as possible. I view them rather as assets . . . which we are lucky to have. They are also a challenge. Surely a people who can produce the hydrogen bomb has the ingenuity not to let butter spoil in government warehouses while some are hungry? It would be downright immoral to allow such a thing to happen. The conscience of the American people would not allow it.
>
> They should devote more effort to utilizing this bounty, and less to penalizing its producers . . . Any other country in the world that was blessed with $350 million worth of dairy products would give thanks—not rap anybody's knuckles.

The Minister of Trade and Commerce (Mr. Howe) suggested the other night that there are no longer any hungry people in the world, that nobody wants our wheat. But that is not the way we hear it from the food and agriculture organization. That organization tells us that a large group of mankind, more than a billion human beings, never get enough food for health, growth and full physical development. Those people are poor. Their food consists mainly of grain, starchy roots and tubers. These peoples are found in some parts of Africa, Europe and Central America. They may also be found in parts of the most prosperous countries, including our own.

So I think we can agree that, internationally, we should do everything within our power to see that surplus foods are made available to all who are hungry, and that in Canada no one should run short of food. It is pointed out in a newspaper report that an American sergeant gets as much pay as a French colonel. Maybe that does not create any problem for the American sergeant, but I do submit that it creates a problem for the French army. And it creates a problem for us at the present time, when we have such a high standard of living in this country, and yet seem to be unwilling as a people to share the excess.

So I submit that in offering this amendment we are merely asking that all the people of Canada stand behind the wheat producers in this particular crisis.

**Mr. Donald M. Fleming (Eglinton):** Mr. Speaker, I rise on a question of privilege.

In the earlier part of his remarks the hon. member for Mackenzie (Mr. Nicholson) made a statement which conveyed the impression that on May 6, 1953, my colleagues and I —and he referred to me particularly—had voted in this house in favour of a C.C.F. amendment in terms similar to that now under debate.

I could not believe my ears, and sent for *Hansard*. I find that *Hansard* for May 6, 1953, at page 4857, gives the following as the text of the C.C.F. amendment then under debate on a motion to resolve the house into committee of supply:

> That all the words after the word "That" to the end of the question be struck out and the following words be substituted therefor:
>
> "this house is of the opinion that consideration should be given to an increase of 25 cents in the initial payment for No. 1 Northern wheat basis in store Fort William/Port Arthur or Vancouver for the crop year beginning August 1, 1953, so that the said initial payment will be $1.65 per bushel."

Mr. Speaker, it is a fact that I voted for that amendment, and it is also a fact that my Conservative colleagues voted for it. But it is not a fact, as the hon. member's words convey, that that amendment was of the same nature, for the same purpose or to the same effect as the amendment now under debate. On the contrary, it was of a very different nature. It related purely and simply to the amount of the initial payment for the crop year 1953-54. That is a far cry from a motion under which the C.C.F. now invite the house to subscribe to a policy of establishing a floor price of $1.82½ per bushel indefinitely. The two things are quite different.

I wish to make it perfectly clear that there is nothing inconsistent in the position we took on May 6, 1953, in supporting a proposal for an increase in the initial price for the crop year 1953-54, and the position we now take against the present C.C.F. amendment. The two matters are quite different.

I wish to say emphatically that the impression that would have been created by the remarks of the hon. member in this respect is entirely misleading.

**Mr. H. P. Mang (Qu'Appelle):** Mr. Speaker, I realize the house is ready to get on with other business—and rightly so—and I do not want to increase its restiveness to any degree at all. But since reference was made to me

by my good neighbour to the south, the hon. member for Moose Mountain (Mr. McCullough) I think I would be lacking in courtesy if I did not say something at this time.

I appreciate very much his deep concern at my not having done credit to myself the other day, when I offered a few remarks. I wish to thank him for his concern and express the hope that as time goes on his estimation of me may improve.

In his speech the hon. member tried to indicate that my knowledge of the western farm situation was superficial, to say the least. He made special reference to what I had said about seeing the ships moving these millions of bushels of grain before my very eyes from Fort William, and suggested that my reference to that was indicative of the fact that I have only a superficial knowledge and appreciation of the difficulties we may be having in the west.

Unfortunately this is but another illustration of the methods so often employed by my friends in the C.C.F. out in our fair province of Saskatchewan. They will take one small illustration out of one's statement, as he has done with what I said the other day, and from it judge one's attitude on a situation. The hon. member did not refer to the fact that I had indicated that in Canada we are in a period of readjustment. He did not refer to the fact that we want as high a price as possible in western Canada for our grain. He did not refer to the fact that I said that if we had to take the lead in this economic adjustment taking place throughout the world in this post-war period, when we are entering into a competitive world market, we would expect an adjustment in the prices of the machinery which enters into the cost of production.

All these salient facts I tried to point out in humble, perhaps not as parliamentary language as he can use, but nevertheless I expressed them at that time. He merely used that one expression of mine with respect to keeping these millions of bushels of grain moving. That sort of thing is not new to us out in Saskatchewan. We know that if there is any group of people who shy away from facts it is that group that is represented on the other side of the house; although I should inform the house that gradually reasonableness is beginning to assert itself, and more and more we find the members opposite from Saskatchewan drifting away from the actual feeling of the people who elected them. That was illustrated the other day when I quoted this pamphlet entitled "Saskatchewan Invites you", which is broadcast throughout the world by the Saskatchewan government at the international fair at Toronto.

[Mr. Mang.]

As the hon. member for Meadow Lake (Mr. Harrison) said yesterday, we can expect these people to go north, and you can look for them in the south. Well, it so happens that the two divergent pictures presented by the party in Saskatchewan are both north and south. What we hear in the house is entirely different from the picture that is presented to Canada and the rest of the world by the officials of the Saskatchewan government.

For the information of the house, and for the information of the hon. member for Moose Mountain (Mr. McCullough), I have had some connection with the growing of wheat, and also have been in touch with marketing agencies. As a matter of fact, when the wheat pool was first organized I, in my own little corner, did what I could in the organization in that area, and you will find a good many wheat pool contracts that I signed up some thirty years ago. I was with the wheat pool organization at that very critical time that was dealt with by the Minister of Agriculture (Mr. Gardiner) yesterday. From 1929 to 1931 I was with the field service department of that organization, and it was my duty at that time to travel throughout the province from Lloydminster to the Manitoba boundary, and in a great many points throughout the province, explaining the difficulties that the wheat pool got into at that time with regard to the so-called overpayment when the price was raised beyond what conditions warranted.

I intended to deal with that period, but the Minister of Agriculture did it yesterday in a very much more able manner than I could. I mention that to show that it is not just a question of observing ships on lake Superior that indicates my general knowledge of and attitude toward conditions in the west. Then, too, I have known personally every one of the members of the present wheat board, because it so happens that all of them, with the exception of the last one, Mr. Robertson, who was added from the grain trade of western Canada recently, went through this experience of the period of the wheat pool together. Mr. McIvor, Mr. McNamara, Mr. Riddel and Mr. Davidson; I knew all these people in 1929. They have had the experience of the ups and downs in marketing grain in the international markets of the world, and I do not think you will find anywhere in the world a more capable board to handle grain and to sell our grain than the wheat board as constituted at the present time.

Then, too, I have grown grain, or tried to grow it, in the hungry 1930's. No one needs to tell me just what the difficulties were. I sold rye for 11 cents a bushel. A few

years ago I sold rye for $3.85 a bushel. I did not hit the high of $4.11. It just goes to show that I have had some experience with the vagaries of the markets of the world with respect to making a living on a farm. So much for that.

I have tried to keep in touch with all of the municipalities in my riding, and this brings me to the point of the picture that is being given us by hon. members, which is at variance with the picture that is given us by the government of Saskatchewan in the publication I quoted the other day. I have kept in touch with all the municipalities in my constituency of Qu'Appelle even before I came down here. I wrote to them throughout the winter, asking them to bring any difficulties that they may have in which I could be of service. Well, I was able to be of some service in the distribution of box cars and so on, not that everything desired was done, but by simply pressing along for action. I do not say that I was any more successful than anyone else, but I have been in close touch with them.

The economic picture that is being presented, the picture of catastrophe and imminent collapse in western Canada alongside the picture that is being painted to us and to the rest of the world of this huge surplus that we have out there does not agree. What do hon. members think will be the effect upon our buyers and the rest of the world? On the one hand we are just on the brink of economic collapse, and on the other we have tremendous wheat surpluses. Will the buyers of wheat not be inclined to say that those fellows are just about at the end of their tether? These people are in the position where they are not able to carry on, and we shall be able to get that wheat cheaper. I would say that by the talk of the members opposite and by their actions they are helping to drive down the price of wheat in the world markets. I do not say that is the only factor. I do not give them credit for that much international influence, but I do insist that more harm has been done by this eternal talk of ruin, collapse and distress and about going back to the 1930's, than perhaps by any other factor in the markets of the world.

Those traders know how much wheat we have, but they do not always know the details of our local particular economic situation. But thanks to our friends opposite they are being enlightened to a very great degree. I think that is what is in the mind of the Saskatchewan government when it is trying to nullify, when it is trying to minimize, what we are being told by opposition members of the house.

*Wheat—Marketing of Surplus*

For some two months now a great deal has been said about the distressing conditions in the west, how we shall not be able to put in our crop for lack of funds, and the difficulty that we shall have in regard to operating our farms, and so on. When the Minister of Agriculture was premier of Saskatchewan, in the most distressing period that Saskatchewan ever went through, it was my privilege to serve under him. We had on the statute books legislation which provided government guarantees to municipalities to assist in putting in crops and helping with summer fallow, and so on. Last spring, when this talk was going on in the House of Commons by hon. members opposite, the Saskatchewan government, under the department of municipal affairs, at the head of which is my friend Mr. McIntosh, made a survey by means of a questionnaire in which it was attempted to summarize conditions and to focus the need for assistance to individuals in the municipalities of the province. I have a copy of the questionnaire here, which I obtained at Easter, and which went into it in some detail. Each councillor was asked to make a survey of conditions and this was to be used as a basis for action. Now, what happened? How widespread and acute was this distress? The other day I said there was a dollar shortage in the west. But that dollar shortage is due to the very same reasons which have resulted in a dollar shortage in eastern Canada. As soon as people are out of their jobs for three or four months and swell the ranks of the unemployed, then they have little cash to fall back upon for the very simple reason that they have spent most of the money they had earned.

We have had more money during the last three years than ever before and that is proven not by me but by the statistics which make it quite clear that while the farm cash income in the rest of Canada declined over the past two years, the whole of Saskatchewan farm cash income increased in 1953 from what it was in 1952 and prior to that; and indeed, the actual figure is $711·4 million for 1953.

The reason for the dollar shortage is obviously due to the fact that we have spent that money in paying our debts, buying machinery, and making other improvements, and while we may not have the money we have at least the value therefor. In the very same fashion, many a good business finds itself in difficulties because it has not got the ready cash, though it has good assets. Many of our people in both the west and the east are in much the same position. They have spent their money in buying automobiles, television, radios, homes

and other things, and once they are out of a job for two or three months they are in a difficult position. This is followed by requests that the government through the taxpayer of Canada should at once begin to employ 500,000 people. Now we are being asked to give the people in Saskatchewan some consideration, and I am all for it, provided the need is there.

Ever since 1935 this government has never left western Canada in the lurch. Under the Prairie Farm Rehabilitation Act many dams have been constructed to alleviate the distress which occurred in previous years; also the $65 million, which was referred to a short time ago, was provided by this parliament. I might add that it was not easy for hon. members of this parliament, particularly on this side of the house, to vote for this grant, because there was some doubt on the part of eastern and B. C. members at that time that we were fully entitled to this $65 million. But there was never a word of thanks from the other side of the house in this regard. On behalf of the people in the west I want to thank members of this house for taking the view that such a payment was necessary, and supporting the proposal so ably put forward by the Minister of Agriculture at that time. It was at some political sacrifice that some of the hon. members from eastern Canada voted for this measure because they found themselves in a very precarious position when they sought re-election, and some hon. members sacrificed their political lives to give us that $65 million. I wish to again thank the government and the Prime Minister for taking such a fair attitude toward the prairie farmer.

In regard to the present situation I might add that I am not the least bit concerned about the government coming to our aid when there is a real need. When we have to cry "wolf" I am quite sure the government will come to our rescue and give whatever assistance is possible. But this cry of "wolf, wolf" before the wolf has actually arrived is liable to bring about the same distress as that which was brought about in that old fable we all know so well.

I might point out that we in Saskatchewan have legislation fully capable of dealing with distress conditions such as have been pictured here by the opposition, but which have not yet arrived. The legislation to which I refer is the good Liberal legislation which is on the statute books of Saskatchewan at the present time. In this regard I would like to point out that Premier Douglas, speaking at the annual convention of the rural municipal association of Saskatchewan, dealt with this situation. I would like to quote his remarks as reported in the *News*, of Wolseley, Saskatchewan, on Wednesday, June 2, 1954. The report reads as follows:

> The Saskatchewan government will this year extend the provisions of the municipal seed grain and seed supply act to cover assistance to farmers on summerfallowing operations, Premier T. C. Douglas said in Regina Friday.
>
> Speaking at the annual convention of the rural municipal secretary-treasurers' association of Saskatchewan, Mr. Douglas said municipal secretaries would soon be notified of the change.
>
> The act provides for provincial guarantee of bank loans to municipalities, the money to be used to assist farmers to meet seeding costs.
>
> "The government has made it clear that this assistance is again available this year and has decided to notify municipalities that it is prepared to have the legislation apply to summerfallow as well as seeding," the premier said.
>
> He said that, in the main, municipalities have not felt it was necessary to apply for aid under the act this year but the legislation is there for any municipality wishing to take advantage of it.
>
> Reason for extending the act to cover summerfallow expenses was the difficulty of marketing the 1953 crop, he said.

I would like to draw hon. members' attention to what follows:

> Sales of wheat were beginning to pick up and the situation is more hopeful, he said, but it is not expected that the quota on deliveries will be raised above seven bushels an acre in this crop year which ends July 31.

In effect, Mr. Douglas is saying that the situation is more hopeful and that the grain is moving. Now, how can we reconcile that with the statements we have heard in this house? Premier Douglas was addressing one of the most responsible elected bodies we have in Saskatchewan, a body which is noted for its reasonableness in its approach to local as well as general problems affecting the west. It is sometimes called the unofficial parliament of Saskatchewan, and the reasonable people who comprise that body can be counted upon to give a true interpretation of what conditions really are.

Now, I do not wish to put facts and figures on the record with respect to the production or marketing of wheat because it has been my observation that facts and figures, particularly facts, can be marshalled and will not convince those they are intended to convince. You can build a granite pyramid of facts and it would have absolutely no effect on some people in this house. They are in much the same position, I am afraid, as that of the old gentleman who visited the zoo for the first time. I do not know what his political persuasion was, but he arrived at the cage in which the giraffe was installed. He had never seen a giraffe before. He looked at it; took off his glasses; rubbed his glasses, put them on again; looked at it again; folded his glasses up, put them in his pocket, and said: "I just do not believe it."

Some people in this house have the same attitude towards facts. I do not apply this to the people who elected some of our friends opposite in Saskatchewan because many of them are finding that reasonableness is catching up with them, and I might add that I have not a single personal enemy in that whole group. As a matter of fact, some of them voted for me. Indeed, if I may let a secret out, some of the Conservatives voted for me. They thought that I was a reasonable kind of guy. That is the general attitude there, namely one of reasonableness.

I want to draw attention to one or two attitudes relative to wheat marketing that perhaps have not been emphasized. The opposition is in a peculiar situation. They go to great pains to say that the record of the wheat board is all right. The Conservative group speaks a little bit gingerly about that system. In fact I noticed that here and there the gentlemen I admire very much, namely the hon. member for Greenwood (Mr. Macdonnell) and the hon. member for Calgary North (Mr. Harkness), touched upon the matter of the present system of wheat marketing a bit gingerly. But there are some people immediately opposite me who proclaim their adherence to the wheat board and yet at the same time try to condemn the government. They praise the wheat board for selling the wheat and condemn the government for not selling it. They praise the wheat board—and here I will work in a figure or two—for selling wheat to 67 different countries of the world the year before last, for selling wheat to nearly 80 countries of the world last year, and for selling, in the year 1952-53, into the export markets of the world more wheat that did the United States during the same period. Of course those are facts. But some of my friends directly opposite—and I refer particularly to the members sitting in the house and not to the general membership of that party out in the country—when they have facts approach them, think they have something undesirable to deal with, and they will take hold of that fact and twist and contort it until that fact shrieks and screams for help. On the other hand, if there is a beautiful theory that approaches them—a theory all dressed up in "buttons and bows", they immediately lock arms and walk down the street with it. They love theories and they deplore facts. The more bold the fact is, the more is that fact to be challenged and demolished if possible. That situation comes about, of course, owing to the suspicious nature of some people. What I mean is this. Some things look so good—and that is the situation in connection with the marketing of grain up to the present time—that it is hard to believe them; they say there must be something wrong; it cannot be that good, just as they say that about this wheat board report: sales cannot be that good. It took them by surprise. I think there are going to be some heart to heart talks among the C.C.F. I think perhaps the hon. member for Assiniboia (Mr. Argue) is out in Saskatchewan right now trying to clear the matter up out in the west.

But I must not transgress any longer, Mr. Speaker. I have tried to remind the house that, as far as wheat is concerned, the wheat board is selling wheat. As far as the government is concerned, it is the policy of this government—as it was the policy of the pool when I was associated with it, with the exception of one unfortunate experience—to sell wheat wherever there is a possible market for it. How much plainer than that can you make a policy? It is the policy of this government to sell wheat. I say to my hon. friends: Read your wheat board report. If you do not believe it, I am sorry for you. I cannot help you, much as I should like to do so.

If we have to make a readjustment, well and good. I think most people are realizing that we may have to make a readjustment and that it will be good business to do so. A country of 15 million people—men, women and children—cannot possibly buy a billion bushels of wheat. I want to remind the house that the hon. member for Assiniboia said not a million, but he said: Canada should store up a billion bushels of wheat to have for sale. By the time the taxpayer buys a billion bushels of wheat and by the time he catches up with his defence program and by the time the taxpayer employs 500,000 unemployed from one end of this country to the other, we shall perhaps be arriving at the ultimate objective of a certain political group operating in this country and which says that, if we want a really modern society, we should have state ownership and state control of the means of production, distribution and exchange and that therein lies the solution of all the economic difficulties of the world. If these policies are pursued, taxation will be so great that we shall eventually as individuals have to hand over to the state—for the buying of wheat, for the hiring of people and for all these different things that have been mentioned—so much of all that we earn that we shall have arrived at that idealistic state where we will live a system of state ownership and control of the means of production, distribution and exchange. I do not think the Canadian people want that.

Of course my friends of the Social Credit party in the extreme corner of the chamber

to your left, Mr. Speaker, are very amiable gentlemen. But I do not see how they can hold some of the views they hold, considering what fine people they are. But whether we are dealing with wheat or whether we are dealing with any other problem, the solution inevitably brought forward by these people I look upon as unique. In many respects they agree with the rest of the people of Canada with respect to private enterprise as a main source of national wealth and so on, but they have one cure-all. That cure-all is illustrated in a story of many years ago, namely that of Aladdin and his lamp. As you will remember, Mr. Speaker, Aladdin was a young lad who found a lamp and by rubbing this lamp a genie would appear; he then could ask for anything that his heart desired and that would be added unto him. There is one thing that I have noticed and it is this. No matter what topic comes up for discussion, I almost know the last few paragraphs of every speech that comes from that corner of the house because they will proclaim this, which I call the Aladdin's lamp of finance. This Social Credit financial Aladdin's lamp theory is handed to the Minister of Finance (Mr. Abbott), and then all he has to do is to rub that lamp and purchasing power—a phrase so glibly used—is at once abundant to all, whether in this country or any other country, and in that way we solve our difficulties. I wish the solution were that easy. I think the emblem that our friends should have or the badge that they should wear is a very simple one, namely this Aladdin's lamp which they could wear in their buttonholes, thus identifying themselves with this Utopian approach to all the difficulties of the world.

I am sorry, Mr. Speaker, that I have taken so long at this time—

**An hon. Member:** And so are we.

**Mr. Mang:** —but I felt that I wanted to put forward a few explanations in view of the fact that I have been referred to upon several occasions. I apologize to you, Mr. Speaker, and to the other members who are anxious to get on with the business for taking so long.

**Mr. Blackmore:** That is the most sensible thing the hon. member has said.

**Mr. Mang:** However, I wanted to put these few observations on the record.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, it is with some hesitancy that I rise because it seems that the motion which was introduced yesterday has come to be regarded by the hon. members on both sides of the house at the south end as a declaration of private war between the members for Saskatchewan on both sides of this house. It is perfectly true that occasionally, just so that it might not be regarded as too exclusive a war, there has been a very limited reference to the Conservative party in connection with this matter. That, however, was only a gesture of respect rather than any indication that the war was ceasing to be a private war. I do wish to get back to the basic discussion that we have before us, and I have no doubt that this private war will continue outside with the same vigour and refreshing references to ancient history that have characterized it both yesterday and today. Aladdin now joins Demosthenes in dealing with the problem of western wheat. Nevertheless, I would prefer that we come back to the immediate problem presented by the somewhat impressive reality that we are now just six weeks away from the beginning of a new crop year.

We are also confronted with the inescapable fact that we have an unprecedented surplus of wheat. We are confronted with the fact that we have an unprecedented accumulation of wheat on the farms. We are confronted with the fact that on the basis of present sales the accumulation now on the farms is going to be nothing compared with the accumulation there will be in the coming crop year unless something is done which has in no way been indicated to the hon. members of this house.

This is a particularly appropriate time to discuss this subject even though our simple resolution which declared the desire that there be a statement of policy has led to this private war from which I am now seeking to bring the house back at least for a time. I would point out that there is a special reason why this subject is of great and urgent importance in addition to the reality of the threat with which the farmers of western Canada are confronted. That is the fact that the 47-nation international wheat council, which has been described in dispatches as the parliament of the international wheat agreement, assembled this morning in London. This international parliament, which determines various problems under the international wheat agreement, is now at this very moment discussing in London matters of immense importance to the wheat producers of Canada.

When I directed a question to the Minister of Trade and Commerce a few days ago with regard to the representation that Canada would have at that 47-nation meeting in London and the instructions which would be given, we were told that of course the wheat

board is an independent body. I must confess, whatever the criticism I may direct to the minister at any time, that he has not shown himself unaware of the details of the operation of the wheat board on ordinary occasions. I also have not found a reluctance on the part of the government to indicate some measure of satisfaction as to the part it has played in the operation of the wheat board, when that was convenient. It can of course be very convenient to cloak it with an atmosphere of independence that not one of us really believes it has. In fact it is only necessary to go back to the figures of forced sales just prior to the election last year to realize how unreal that cloak of independence really is. Nevertheless we can dispense with that.

We are confronted with the reality of this immense surplus. We are confronted with the fact that we are within six weeks of the new crop year. We are confronted with the fact that the farmers of western Canada have no statement from the government to guide them in planning for that new crop year. That applies not only to the farmers but also to the merchants, to those who will be handling the grain, to the railway companies and the shippers of the grain to distant points.

I am not suggesting that the difficulties confronting the government and wheat producers generally are not immense. We all know that there is a world problem emerging. Nevertheless this very government has boasted over and over again of the extent to which it has been willing to intervene with respect to various aspects of production. In fact it has on the statute books now wide open powers which permit it to intervene. It has claimed credit where that intervention was for good. Let it not deny its responsibility to intervene when we are confronted with a situation which in fairness we must concede is now on a world-wide scale. That is the subject that is being discussed in London at this moment by the 47-nation conference meeting there. Not only the house but the farmers of Canada should be informed what instructions the Canadian representatives at that meeting have been given.

Does the minister suggest for one moment that what has been described as the parliament of the international wheat agreement has Canadian representatives attending that parliament with not a hint of instructions from the government of Canada? There is not a member of the house who will believe for a moment that such is the situation. Most certainly some advice, some instructions, some indications, have been given, and it would be helpful to us to know what they are. Let us not have the answer that these are discussions which should not be rigid in advance. Of course they should not be rigid in advance. The Secretary of State for External Affairs (Mr. Pearson) nevertheless did not hesitate to state to us certain aspects of Canadian policy at the time the Geneva conference was meeting. In fact he stated certain aspects of our policy on an earlier occasion before the conference even met. Here we have a very practical conference to deal with the problem of the world marketing of wheat under the international wheat agreement and there is more reason for giving us information because this is a business problem without some of those secret connotations of international discussions such as are taking place at Geneva.

It would be helpful to us and appropriate to know what the view of the government is with regard to these discussions and at least what they hope to attain at the conference even though their hopes may not be fulfilled. I also want to point out with reference to the remarks that have just been made that we are not touching this subject gingerly in any way. You know, I must admit there are some members of the Liberal party for whose opinion I have an increasing regard, but nevertheless they have absorbed the folklore of Liberalism without any of the corrective influences that would be presented by an opportunity to discuss some of the realities of history with them. In fact there are Liberals opposite who even seem to think that the wheat board is the product of the unlimited genius of the men opposite who have been extolled in such warm terms in the remarks we heard a short time ago.

Need it be recalled, just to deal with some aspects of his folklore of Liberalism, that it was the Bennett government that created the wheat board. In fact, while we do not always agree with the statements of the Minister of Agriculture (Mr. Gardiner), it may be wise, in dispelling some of the visionary aspects of that folklore, to recall the simple, direct statement made by the Minister of Agriculture as recently as June 15, 1954, only yesterday, when he said, as found at page 6035 of *Hansard*:

> The government of Mr. Bennett brought down a bill to provide for the compulsory marketing of western grain through a wheat board.

**Mr. Howe (Port Arthur):** But they did not pass the legislation.

**Mr. Drew:** The legislation, Mr. Speaker, was introduced, and the legislation was the legislation which was carried forward by

this government. It is one of the few cases in which this government showed wisdom which we can commend.

**Mr. Howe (Port Arthur):** It was brought down on a voluntary basis.

**Mr. Drew:** I admit this government did withdraw some of the rather good features of it. Nevertheless, the basic features were retained. This government brought it under government control and did not give that measure of representation to the farmers themselves that was in the original concept of that board as presented by the Bennett government.

**Mr. Howe (Port Arthur):** History may be very untrue; read on from there.

**Mr. Drew:** May I suggest that if we are going to have another private war at this end between the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner), they carry it on between themselves. I accept the statement made by the Minister of Agriculture that the government of Mr. Bennett brought down a bill to provide for the compulsory marketing of western grain through the wheat board.

**Mr. Howe (Port Arthur):** Read on.

**Mr. Drew:** As a matter of fact, Mr. Chairman, I said I was referring to a small statement made by the minister, and I am not going to read it all because everybody knows the Minister of Agriculture does not make short statements. I am not going to read the whole of this rambling statement. I have referred to this statement about the wheat board, and it is clear. Let me read this, however, from page 6035 of *Hansard* for June 15, 1954:

> I must say, to the credit of the Bennett government of that day, that they brought down a bill which provided not only for compulsory marketing of wheat but compulsory marketing of all grain.

**Mr. Gardiner:** But they did not pass it; go on and read it.

**Mr. Drew:** We have heard the Minister of Agriculture on this subject many times, and undoubtedly he will be on it many times again. He has an opportunity to say what he likes, but surely he will not be critical if for once we take his words and accept them in their exact meaning. Incidentally, on this occasion they are clear and understandable.

May I just recall to the Minister of Agriculture that touching picture he once gave us of the three who sit together, and his words that Canada never needs to worry as long as these three hon. gentlemen are still here.



**Some hon. Members:** Hear, hear.

**Mr. Drew:** The applause from the other side, Mr. Speaker, will indicate that the other members commend that situation in which the members abdicate their responsibility and leave with these three hon. gentlemen the supreme authority over the affairs of their party. Nevertheless, I would recall that on that occasion the thing that prompted these very modest remarks by the Minister of Agriculture, in which he said that as long as he and the other two were there everything would be all right, was the fact that there had been a definite difference of opinion expressed by the Minister of Agriculture and the Minister of Trade and Commerce. This difference was resolved by the Prime Minister (Mr. St. Laurent). It was the resolving of this difference that prompted the Minister of Agriculture to tell us all that, whatever difference might develop within that triumvirate, as long as the difference could be resolved by the Prime Minister all would be well in this difficult world.

The fact remains that we have something of the same kind today. I leave it there. If this private war is going to take place between the Minister of Trade and Commerce, and the Minister of Agriculture, then, let it take place. I simply want to point out, referring back to the folklore of Liberalism which I have mentioned, that we have the words of the Minister of Agriculture which indicate the extent to which there has been agreement in regard to the place of the wheat board. There has been agreement in regard to methods; there has been agreement in regard to the services that it has performed. So far as I am aware, that agreement extends into every part of this house.

One of the features in regard to the operation of that wheat board has been that, instead of a fixed floor price of the nature contemplated by the subamendment now proposed by the—

**Mr. Knowles:** C.C.F. party.

**Mr. Drew:**—C.C.F. party—I must admit that the names become transposed at times, and I do not know whether to call it the Liberal-Socialist or the Socialist-Liberal party, but we will call it the C.C.F. party. In regard to the C.C.F. party subamendment, may I point out that it refers to a fixed price which, under the situation that now exists, is unrealistic. This house, including the members of the C.C.F., have accepted a method of operation under the wheat board by which an initial price would be announced. It is true that that substantially had the effect of establishing a floor price. What we have pointed out is that for some years past

that initial price has been announced prior to the seeding in the spring. It has been announced at a time which made it possible for the farmers to know where they were. It has been announced at a time that helped, in some measure, the planning of operations on the farm during that year.

It has been pointed out, and I think bears repeating, that in 1950, for the 1950-51 crop year, the initial price was announced on April 5. In 1951, for the 1951-52 crop year, it was announced on May 4. In 1952, for the 1952-53 crop year, it was announced on April 8. In 1953, for the 1953-54 crop year, it was announced on April 27. This is June 16, and that initial price has not yet been announced. It is in relation to that fact, Mr. Speaker, and to the general absence of any statement which indicates that the government is dealing with that problem, that we have brought forward our amendment. We believe it states something that the house can support and should support, and that is the need for some action by this government to deal with this situation.

We believe that one of the essential steps is to follow out this earlier practice, even at this late date. We believe that, without another day's delay, the initial price should be set. Please let us hope we are not going to have a statement by the government that the independent body, the wheat board, still has not notified them. We know of the compelling arguments that are presented to the wheat board by the government in regard to matters of that kind. We have the evidence of it. We know quite well the government is in a position to announce, as the minister has announced over and over again in the past, this initial price. It should be done, and without further delay.

An added reason why it should be done is that we are confronted with a situation very similar to that facing farmers of the United States, but very unlike their situation in other ways. One thing that undoubtedly causes difficulty in the minds of the western farmers is the extent to which the land that is so similar, north of the border, grows similar crops under very dissimilar arrangements. In the United States the price paid is $2.21 per bushel under the arrangement which they have. There is something more, however, which we should not ignore. There is a limitation of crop production which our farmers have shown no willingness and no desire to accept. These are realities. I am simply making a statement of the situation that indicates why it is so essential that we have a clear statement of Canadian policy and that we should not be just hanging on to the coat-tails of Uncle Sam at this time. Our position is different; the position of our farmers is different. The farmers of the United States do not feel the direct impact of these reductions in prices in the way it is felt by Canadian farmers. If there are to be further reductions, such as were at least contemplated in the statement made the other day by the Minister of Trade and Commerce (Mr. Howe), then let us remember that it will be the Canadian farmer who will feel the direct impact of those reductions.

These are all reasons why there should be some action now which will give to our farmers and to those who are associated with them—to the servicing organizations and the transportation organizations both by rail and water and otherwise—some knowledge of what they may expect, and particularly in this new crop year which begins just six weeks from now.

Before closing my remarks may I refer to words that were spoken a few moments ago by the hon. member who preceded me in the debate. He reiterated a suggestion that has come from the other side of the house, including the Minister of Trade and Commerce, that this discussion should not take place because it is actually, in itself, harming our agricultural producers.

I do not question the hon. member's sincerity. Of course he was simply following members of the government in what he said—that "by their very action members on the other side are helping to drive down the price of wheat in the world market." I will admit that the remark was directed particularly to those who have been taking part in the private war. Nevertheless that remark had general application—"by their very action they are helping to drive down the price of wheat in the world market."

Then he did go on to make an observation which is very obvious. He said, "These traders know how much wheat we have". Of course they do. They are experts. They know how much wheat the department has, because that is their business. And then he said—and this is the remark upon which I place the greatest emphasis—"but they do not have the details of our economic position".

The hon. member has gone too far; he was carried away by his imagination. After all, why are the trade departments of all the embassies of the different countries established here in Canada, except to give those countries economic information about Canadian affairs? Do you not suppose they read every day the financial pages of our

newspapers? Do you not think they read the trade reports issued by the Department of Trade and Commerce? Do you not think they read the excellent financial and economic comments produced regularly by the banks? Of course they do.

The fact is that those governments, and the traders operating under them, are fully informed in regard to the details of our economic position. And do not let anyone suggest for a moment that our friends beyond the iron curtain are not equally well informed on this subject, in case their position might be affected in any way by this matter.

No, Mr. Speaker, the facts are before the traders of the world, whether they be government traders or private traders. The facts are before the people of Canada to the extent that our people take advantage of the information available. But one thing that is not before us is what this government is going to do to deal with that situation. Admittedly they cannot adopt an inflexible or utterly unreasoning rigidity in the face of the world situation with which we are confronted, and which does present them with grave problems and difficulties.

May I say this—and in saying it I am sure others on both sides of the house join with me—that, whatever our political differences may be, we want our government to tackle this problem in a way that will be best for the farmers of Canada and best for Canadians generally. And we wish them well in the great task they have before them in dealing with this immensely important problem.

Mr. Speaker, the realities cannot be escaped. We have an unprecedented surplus. Our farmers are confronted with uncertainties. And they are confronted with strained credit problems, until there is a clear statement. The first urgent step is the declaration of an initial price. Beyond that is at least a statement as to the things that this government hopes to achieve through this parliament, under the international wheat board now meeting in London, and by their own action in the markets of the world.

To such extent as they are prepared to take us into their confidence we will certainly co-operate with them in every way we can. To such extent as they can assist and guide our farmers and our producers and our servicing organizations, I am sure they will receive their co-operation.

This is a problem affecting the whole of Canada. It must be dealt with in the interests of all Canadians. That is the purpose of our amendment, and that is the reason we have placed it before the house. For the reasons we have given we cannot support the subamendment. It is not dealing with the principle of floor prices. This marketing by the wheat board is something that has been accepted by all members of the house. The initial price is part of the accepted practice. You have had that initial price. We need no such subamendment as this, following the practice that has been adopted. And that is why we place before you a motion calling for action by the government at a time when action is so greatly needed.



At one o'clock the house took recess.

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The house resumed at 2.30 p.m.

**Mr. F. S. Zaplitny (Dauphin):** Mr. Speaker, the debate in which we are engaged is on the C.C.F. subamendment calling for the establishment of a floor price under wheat. I want to say that to some extent I agree with what the Leader of the Opposition (Mr. Drew) said in his address that so far the impression may have been received that this is purely a Saskatchewan matter. I want to assure the house, however, that the farmers in the province of Manitoba, although they are not as great producers in volume of wheat as their neighbouring provinces, are nevertheless keenly interested in this question and have some opinions to express. It is with that thought in mind that I place on the record some of the opinions expressed on this question by the organized farmers in that province, and a few of the figures which, in my opinion, are germane to the discussion.

First, I should like to refer to some of the statements that were made earlier in the debate and to point out that, in my opinion, the chief issue is not the question of whether farmers in a certain section of the nation are prosperous or not at the moment, because that can be a pretty academic debate. It would depend on what farmers you were speaking about, or how it affects any one particular province or the three prairie provinces. I believe this is a question which has to be approached from the point of view of the national interest, and I hope that is the way in which this house will approach the question in the final analysis when the vote is taken on this subamendment. I believe it is correct to say that agriculture is the basic industry of Canada, and that the production of grain is the major part of the production of agriculture at this time. Therefore, when we make a decision in this house as to whether or not there should be a floor price

we are making a decision on something which is going to affect every industry across Canada to a greater or lesser degree.

I was interested in trying to assess what is the policy of the government on this particular question. After listening to the statements made by both the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner) I think it is fair to say we can draw this conclusion. The present policy of the government is to compete in the matter of wheat prices. Again and again we were told that we must be in a competitive position. That was repeated several times. I should like to refer to the words of the Minister of Trade and Commerce in that respect. On page 5746 of *Hansard* we find these words:

> If you expect to sell in a competitive world, the price must be competitive with prices offered by other countries. That, I think, is the situation today.

I believe that is about as clear and categorical as any statement can be. The government is now recommending that we adopt the competitive position. The question that arises immediately is: With whom are we competing and on what basis are we to compete with those with whom we are to compete? It has been pointed out by one or two hon. members already that it is not a question of competing on the world markets in the matter of price. The essential position today is that we are being called upon by this government to adopt the policy of competition, particularly in relation to the United States, because that is where the whole issue began when the United States government decided to place its wheat on the market at a lower price, at a reduction of 10 cents.

Perhaps it would be a simpler matter if it were merely competition in a free world market between nations; but the Canadian farmer is being asked to compete with the treasury of the United States. That is the situation. There, wheat is subsidized by the treasury. There is a floor price of 90 per cent of parity set. Here in Canada we have only an initial price, and that has not yet been determined for the next crop year. Therefore, the farmers of Canada are being asked to compete with something against which they have no chance whatever. Apparently the United States is quite prepared to carry on with their program of subsidization and to cut the price of wheat, if necessary, in order to put them in a competitive position. I submit, under these circumstances, it is utterly impossible for the farmers of Canada to compete.

I should also like to refer to another issue that has arisen, namely, whether or not the Canadian wheat board is the instrument of the present government. Last night the Minister of Agriculture went to some pains to argue that the Canadian wheat board is an independent body and is not directed by this government or by any minister of this government. But when we refer to the record we find that almost the very opposite was said by the Minister of Trade and Commerce in his speech of June 9. I quote again from page 5750 of *Hansard* where I find these words:

> The policy of the government and of the wheat board is going to be to drive ahead and to make sure that we hold our share of the market. I do not think we can increase it very much.

There he quite plainly couples the policy of the wheat board and of the government and makes the statement that we are going to drive ahead. That certainly is a clear indication that it is the Minister of Trade and Commerce who is setting out the policy to be followed by the wheat board.

Further down we find another statement in which he says:

> If it is necessary to cut the price again in order to hold that proportion, I can assure you, Mr. Speaker, that we are not going to lose markets for wheat because we make a fetish of $1.78½ for Vancouver and $1.72½ for Fort William and, by making a fetish, lose markets for substantial quantities of wheat.

Certainly the Minister of Trade and Commerce cannot now claim that the wheat board is the one that sets the selling policy, because he has stated in two separate statements what the policy of the government is and what the wheat board is going to do. He is not telling us what the board has informed the government they are going to do, or recommend being done; he has stated what this government is going to do so far as selling wheat is concerned. Therefore it is clear that the government has, for good or for bad, accepted the responsibility, or assumed the responsibility, for the marketing of Canadian wheat. That being the case, the issues before the house are clear. We have moved a subamendment suggesting a floor price as of a certain date. Hon. members on the other side of the house apparently do not agree with that subamendment. Hon. members of the Progressive Conservative party to my right apparently also do not agree. What is the basis of this disagreement? Let me refer to some of the statements of some hon. members opposite in this debate. The hon. member for Qu'Appelle (Mr. Mang), who has spoken twice on this issue in the last few days, has stated his philosophy. I do not agree with his approach. I do not say that in any spirit of bitterness but simply because his philosophy, which apparently has the approval of

the other members of that party and perhaps of the government, is that there is now a necessity for a period of readjustment in the matter of prices, and that the farmers of western Canada should be prepared to lead the way in making that readjustment.

I want to quote his exact words because the hon. member complained this morning that what he had said had been misinterpreted. Here is what he said as reported at page 5793 of *Hansard* for June 10, 1954:

> It so happens that we in western Canada are leading the way in this readjustment by having our prices come down.

Well, that is a very strange approach from a member who represents a wheat-growing area. But coupled with that, the whole tenor of his speech was that we cannot expect to hold the price at the level which our amendment suggests.

Now, in what position does that place the farmer? The fact is that over the years this government has asked the wheat growers of Canada to accept a lower price than the actual world market price at that time, and for the purpose of stabilization, as they called it during the war years. They said it was a matter of patriotic duty to produce and provide food for our allies. The farmers were told that their contribution, their sacrifice, if you will, was part of the national war effort and that the government would see to it that they were not left in the lurch, as the hon. member for Qu'Appelle said, after the war years. In order that that statement may not be challenged, let me give the exact words of the then prime minister of Canada. Speaking over the radio on December 4, 1943, the Right Hon. William Lyon Mackenzie King said:

> If to help win the war the farmers are asked to accept ceiling prices, we believe they are entitled to a floor under prices to assure them against an agricultural depression after the war.

Now, those are the words of the then prime minister of Canada in 1943, and they can be interpreted as nothing other than a direct promise that in compensation, or shall we say in appreciation of the sacrifices and the contribution the farmers were being called upon to make in order to assist the war effort in 1933, and subsequently, this government—or any other government, because I believe any prime minister who speaks on behalf of the nation speaks not only for the government of which he happens to be the head but for any other government which may subsequently follow—in return for that contribution in the interests of stabilization the farmers were to receive the floor price after the war years.

[Mr. Zaplitny.]

Now, it may be argued that they have a floor price in the sense that we have an initial price which is to be announced in the future, though we do not know when. But the question which comes up is whether the farmers are going to receive an adequate floor price which will compensate them or which will at least help them maintain their position in relation to the general price level in Canada. That is why I was so concerned when the hon. member for Qu'Appelle said that we were leading the way in the price readjustment. Unfortunately it seems to me that no one is following that lead in Canada though it appears the hon. member for Qu'Appelle is quite satisfied that the wheat farmers shall be the ones to cut the prices of their products, perhaps as an example of what can be done in order to bring about an over-all downward price readjustment.

But who is following the lead? Let me refer to some other figures, and this is still within the purview of the Minister of Trade and Commerce (Mr. Howe). I have some figures here which I have taken from the dominion bureau of statistics which show some of the prices of the manufacturing industries in Canada. Let us see whether they are taking part in this downward readjustment in which the hon. member for Qu'Appelle is suggesting the farmers take the lead.

For example, taking the 26 major manufacturing industries in Canada—I could place all the categories on the record, but to save time I will not—it will be shown that for the year 1951 their net earnings were $1,548,300,000 compared with $1,005,200,000 in the average period 1946-50. This is an increase of over $500 million. Now, their profit, based on sales, averaged out in 1951 to 10·1 per cent, while during the period 1946-50 their average was only 9·7 per cent. The readjustment seems to be going forward, the prices are still rising and the trend is upward. Despite that, here we are being offered the recommendation that the wheat growers should lead the way in the readjustment downward. Where does that leave the farmer?

Let us take the profit on the basis of net worth, which I think is a better method of determining how they are doing. On the basis of their net worth, these 26 major manufacturing industries in 1951 made an average profit of 24·6 per cent. I give that figure because in a moment I am going to give some comparable figures in relation to the agricultural industry.

Perhaps it might be said that lumping all these industries together will not give a fair

sample, but in order that hon. members may not think so I am going to deal with some of the industries of which I have been talking, and I can give them all if necessary.

For example, starting with one which is supposed to be in a depressed position at the present time, namely, cotton textiles, their net earnings in 1951 amounted to $30·1 million, which represents a profit on sales of 9·8 per cent on their net worth or investment of 22·4 per cent. For the farm machinery companies there was a net earning of $38·1 million and a sales profit of 11 per cent on a net worth of 28·4 per cent. The petroleum refining industry had net earnings of $72,500,000, sales profit of 8 per cent, and on net worth of 14·3 per cent. The iron and steel industry had net earnings of $76·8 million, sales profit of 11·8 per cent, and on net worth of 25·1 per cent. The electrical equipment industry, which has been complaining for the last couple of years about lack of business, had net earnings of $72·5 million, sales profit of 9 per cent on a net worth of 27·8 per cent.

Now I come to pulp and paper, and might I just interject here that if the philosophy of the Minister of Trade and Commerce were followed by the pulp and paper industry they might not have been so well. The minister objected to discussion between Canada and the United States on a price being set under wheat, and he characterized that as the setting up of a combine. But recent events as related in the newspapers show that the pulp and paper business was not averse to setting up a combine with the result that in 1951 it did rather well with a net earning of $317 million which on sales amounted to 23·4 per cent and on their net worth amounted to 34·2 per cent.

Then, coming to the automobile and parts industry, the net earnings here amounted to $87·9 million on sales of 9·6 per cent on a net worth of 47·1 per cent, so that they have done rather well and their readjustment has been upward from the period 1946-50. While I have not figures for 1953, because they are not yet available, I have no doubt that they are still doing very well.

I have given these profits as based on their net worth in order that we may make a comparison with the agricultural industry. I have here in my hand a publication which I believe will be accepted as authoritative. It is published by the department of political economy of the University of Manitoba, and it contains a study which was made in the Birtle-Shoal Lake area of Manitoba. The Minister of Agriculture will be familiar with that area and I think he will agree that it is fairly representative of that province. The farm lands in that area are not the best in the province and they certainly are not the worst in the province. They may be accepted as being the average type of land in the province. Perhaps for that very reason they were taken by this department for the purpose of making a study. It included 78 farms which ranged in size from a half-section to in some cases five quarters or more in one unit. A study was made covering production expenses, income and so forth. Let me just give a summary to show what the finding of this department was on that question. Incidentally this was published in November of 1953, so it is quite recent. It was found that on these 78 farms the average capital investment—that is including land, farm machinery, et cetera—was $15,896; the average cash income was $4,756 and the average current expense for each year was $2,007. That leaves an average net income of $2,749 per farmer. If we allow the very reasonable figure of $2,000 as wages to the farmer—because there is nothing here included so far which would pay wages to the man who operates the farm—we find a net return of $749 on the capital investment of $15,896. If we do that percentagewise, we find that it is a percentage of net worth of 4·7 per cent. Let me come back to some of these other figures and compare them—

**Mr. Byrne:** Go back to Tommy Douglas's figures. They are more important.

**Mr. Zaplitny:** I would appreciate hearing what the hon. member has to say.

**Mr. Byrne:** I say: Go back to Tommy Douglas's figures.

**Mr. Zaplitny:** I am afraid that the hon. gentleman was not listening because I have already said that these figures were prepared and published by the department of political economy of the University of Manitoba. They were published in November, 1953.

**Mr. Castleden:** He does not understand.

**Mr. Zaplitny:** I think it is a quite authentic and independent source and that there are no political implications here.

**Mr. Byrne:** That is fine.

**Mr. Zaplitny:** As I say, that is a return on a net worth for these 78 farms representing I think the average in Manitoba of 4·7 per cent as compared with the automobile industry with 47·1 per cent, as compared with the pulp and paper industry with 32·2 per cent or as compared with the petroleum industry

with 14·3 per cent or the farm machinery industry with 28·4 per cent, and so forth. I think that sets out quite clearly the fact that the farmers so far have not been receiving their fair share of the national income. The hon. member for Mackenzie (Mr. Nicholson) has already stated that, in spite of the fact that the farmers represent approximately 20 per cent of the population in Canada, their share of the national income has been running, as most recent figures indicate, just slightly over 8 per cent. Taking all that into consideration, I do not believe it is at all unreasonable for this party or any party in this house to move that an adequate floor price be set under our basic commodity, namely wheat.

The Minister of Agriculture has given us in his usual delightful fashion a description of a meeting to which he spoke recently. I did not quite clearly catch where this meeting was, but anyway he said that the loudspeakers covered an area of 40 acres, that there must have been a large mass of people to occupy that area, and that after he had finished speaking and stated government policy on wheat he was told that he was dead right. Let me give the other side of the coin, shall we say. I have here a letter which I believe was received by every member of this house, dated June 15, from the Manitoba farmers union, who represent a large proportion of the farmers in Manitoba. No doubt their opinions will be the same as those of the Saskatchewan farmers union or of the farmers union in Alberta. Here is what they have to say. I wonder whether this will ring as if he was "dead right" according to the minister's statement. I quote from the letter:

> The statement made recently by the Right Hon. C. D. Howe that the government is prepared to cut our wheat price again if necessary, was a shock to many western farmers, especially when it appears that the government is not prepared to take any responsibility in the matter. It will be hard for western farmers to believe that the government expects them to compete with the U.S. treasury.
>
> During the past two years, farm income dropped 23 per cent and this, coupled with the fact that while 20 per cent of the total Canadian population are engaged in agriculture they only receive 8·7 per cent of the national income, makes the outlook very serious for farm families. Recently farmers were forced to take another blow when the government slashed the price of wheat (by 17 cents per bushel in the past four months)—

That is apparently taking the 7 cent drop together with the 10⅛ drop more recently. The letter continues:

> —and is apparently prepared to go still further.
>
> We are beginning to wonder how long it will take our government to realize that this will ruin western agriculture? During the war years we were told that our prices would be stabilized for the future—

[Mr. Zaplitny.]

And then follows the quotation from the prime minister of that day which I have already placed on the record. Then they follow that up by saying this:

> What has happened to this promise? We still have the same government in power today, and the farmers feel that when a promise is made it should be maintained.

That is the opinion of a large body of farmers in my province.

**Mr. Gardiner:** If the hon. member will permit me to do so, I should like to make an interjection.

**Mr. Zaplitny:** Yes.

**Mr. Gardiner:** I do not want to enter into the argument as to whether the floor that is on wheat is high enough or not, but I want to say to the hon. member that the quotation he has made has no bearing whatsoever upon that question. The quotation he has made does not apply because wheat is about the only farm product upon which there was not a ceiling during the war time.

**Mr. Zaplitny:** That is an example of the type of interjection the Minister of Agriculture likes to make. But will he not agree with me to this extent? Will he not agree that it was the expressed policy of the government in 1943 that they were going to work towards the stabilization of the prices of farm products? The minister nods his head. I understand that nod means yes.

**Mr. Gardiner:** My hon. friend has not yet got the point. That statement which he has read—and which he is quoting and which he says the farmers union quoted—says that because there was a ceiling price put on certain products, there should therefore be a stabilization by putting on a floor price afterwards. Wheat is one product which that does not apply to. There was no ceiling on wheat during the period of the war.

**Mr. Zaplitny:** Oh, yes, Mr. Speaker; it is true that that did not apply in 1943. But the minister certainly will not make the statement that that was true in 1946, 1947 or 1948.

**Mr. Gardiner:** The hon. member has not yet got the point. There was no ceiling on the wheat price until 1945 when the war was ended.

**Mr. Zaplitny:** I thank the minister. That is not what I am drawing to the minister's attention. What he has said may be said to apply as of December 4, 1943, when the former Prime Minister made his statement, but it cannot be said to apply from 1945 on because a price ceiling was imposed.

**Mr. Gardiner:** You have not yet got the point. The statement you have read was to the effect that if we kept the price down

during the war we ought to hold the price level after the war. This is one product on which this was not done during the war.

**Mr. Zaplitny:** Nonetheless the government in 1943 sold the farmers on the idea that if they would be satisfied to accept a lower price for their farm products during that period in the interests of stabilization the government would see to it that they would not lose in the post-war years because of having accepted such prices.

**Mr. Gardiner:** I am quite prepared to follow your argument and to agree somewhat with it. I am only pointing out to you that you are quoting something which does not apply to wheat.

**Mr. Zaplitny:** I agree, so far as the ceiling on wheat is concerned, that it did not apply until 1945, but it did apply in subsequent years. I think we can agree on that.

**Mr. Gardiner;** The statement read "could not apply after 1945". The war ended in 1945 and there was no ceiling on wheat.

**Mr. Zaplitny:** No; but under the British wheat agreement a ceiling was placed on wheat after the war ended. I think the minister will agree with that. I was about to point out that I believe it is a reasonable proposition for this party to ask at this time that an adequate floor price be placed under wheat. I want to be perfectly fair about the matter. There may be some difference of opinion as to what that price should be, and I was anxious to see at least one member from the Liberal ranks or a minister of the government rise in his place and say: The price you are suggesting is too high; we would suggest that a lower price, such and such a price, would be suitable. But that is not the basis on which they oppose the subamendment. They attack the subamendment on the basis that this parliament has no right to set a floor price under wheat, that it might mean subsidization. The hon. member for Rosthern (Mr. Tucker) made the statement that the farmers did not want their product to be subsidized.

**Mr. Tucker:** Mr. Speaker, I said no such thing. I think what I said was exactly the opposite, that we believe that the principle of the Agricultural Prices Support Act should be applied to wheat and that it should be applied in such a way that the farmers will be assured of getting their fair share of the national income, even if it does mean subsidization. I made it as plain as two and two make four. My hon. friend has no right to misrepresent my argument in the house.

**Mr. Knowles:** You could make it plainer by voting for the subamendment.

**Mr. Noseworthy:** Vote for the subamendment.

**Mr. Zaplitny:** If I did not state correctly what the hon. member said I am quite prepared to accept his correction. I do so quite gladly because now we know that at least the hon. member for Rosthern agrees that, if necessary, the farmers' products should be subsidized by the nation. I think we agree on that point. I agree with him completely, and that is an excellent reason why he should vote for the subamendment.

**Mr. Tucker:** I have more faith in this government than I would have in that outfit over there.

**Mr. Zaplitny:** I do not wish to interfere in any way with the faith of my hon. friend. I am quite happy to leave it to him. But the point I am getting at is that if the hon. member for Rosthern and some of his colleagues from Saskatchewan, Manitoba or elsewhere agree with us that, if necessary, wheat should be subsidized by the nation, that is a clear reason why they should support the subamendment. Some hon. members express a certain fear on the question of subsidization. I have heard that fear expressed in the house on more than one occasion. They say that the government will never agree to having the taxpayers subsidize the production of wheat. Members of the Progressive Conservative party have stated that they do not believe in the subsidizing of farm products, particularly wheat. If they wish to use that argument then they will have to go a little further and say that they also disagree with the subsidizing of gold production, which is a pretty costly proposition these days. Comparing the usefulness of gold and wheat, I see a much poorer case for the subsidizing of gold. I have always taken the position that if we continue to subsidize gold instead of food we will wind up with a mouthful of gold teeth and nothing to chew on.

These hon. members would also have to oppose the subsidizing of the coal industry, which runs into substantial figures. They would have to oppose the subsidizing of the steel industry, which in the past has run into substantial figures. They would have to oppose the whole tariff structure of Canada, which is one great complicated form of subsidization—that is all it is. All the manufacturing industries that enjoy such high protection are in effect being subsidized by the consumers of Canada. As I pointed out a few moments ago, the automobile industry enjoyed a profit of $87·9 million in 1951 which represents 47·1 per cent on their net worth. A good part of that large profit is in

the form of a subsidy paid by the Canadian consumer as the result of the tariff protection enjoyed by this industry. The tariff structure constitutes one of the biggest forms of subsidy in the country.

Therefore in order to be logical and to follow their beliefs through to a logical conclusion, all those who oppose the idea of the subsidizing of farm products would have to be equally opposed to every form of subsidization existing in the case of other industries and would have to favour the complete abolition of our whole tariff structure. Are they prepared to do that? I do not think there are many members of the house who would be prepared to go that far. They would say: No, we must maintain these forms of protection and subsidy in order to make sure that these industries have a fair chance to exist.

If that is the argument they wish to use, then I will go along with them and say: Let us extend that to cover agriculture and see to it that the production of basic commodities, the production of food, grain, livestock and other things, is put on a sound basis through a system of floor prices in order that stabilization of farm income may be assured. That is not asking too much. But when we propose that, what happens? I rather hesitate to get into what the Leader of the Opposition (Mr. Drew) called the private war. Yet I feel that I must protest against certain statements made by the hon. member for Meadow Lake (Mr. Harrison) yesterday which I resented very much. I did not wish to add to the confusion at that time by rising to my feet and asking him to withdraw. As reported at page 6008 of *Hansard* of yesterday, he said:

> What I wish to say, Mr. Speaker, is that that is the situation with socialists generally; that is the trouble we have internationally, because you cannot make agreements with these people. They do not keep their half of the agreement. Possibly, if we got rid of that type of thinking in the world we would not be faced with this debate now.

That is a most astounding statement to be made by a supposedly responsible member of the house. We have been told that some of the things said on both sides of the house may have the effect of making the selling of our grain more difficult. I can imagine nothing that could make things more difficult for this nation to trade with the other nations of the world than a statement of that kind. The hon. member says that internationally agreements cannot be made with socialist countries because they do not keep their word. Does the hon. member realize the implications of a statement of that kind? Not many years ago there was a socialist government in Great Britain which did a great deal more business with this country than their present government is doing. I am not saying that in criticism of the present government but it is a fact that they did a great deal of business with Canada for which both Canada and Great Britain were thankful.



You have the socialist governments of the Scandinavian countries. There were socialist governments in Australia and New Zealand. All of them have done business with Canada, and for a member of the Liberal party to stand up and say that we cannot deal with socialists because they do not keep their agreements will, in my opinion, do more harm in the international sphere, so far as Canadian trade is concerned, than anything which has been said in the house. I deplore that very much. If the hon. member is opposed to the amendment which we are proposing, and if he thinks it is unnecessary to place a floor price under wheat; if he is opposed to subsidization, if necessary, of food products, then I am quite prepared to hear his arguments. But when he attacks this party and attacks socialist governments generally all over the world—it may not be long before we may have a lot more socialist governments than now exist with whom we have to trade—then he is doing this country a great disservice. He is prejudicing our approach to these nations on the basis of good faith. I hope we shall not hear any more remarks of this type in this debate.

I may point out that the hon. member for Meadow Lake, who was so critical about the alleged inaccuracy of members in this house, made a statement in that same speech that the present government has reduced the national debt. Of course, he immediately amended that by saying that was in the non-war years. I would refer him to page 1059 of the Canada Year Book for 1953. There he will find the national debt for 1945 listed at $15,700 million; for 1952 it was $17,252 million, which covers those seven non-war years. The increase shown is about $2 billion. Now, when a member can be $2 billion out in his statements, he certainly should not be critical of the alleged inaccuracy of other members.

In conclusion, I want to say this. We are proposing this amendment in good faith. We hope the members of this house on both sides will accept the principle of a floor price under wheat as a matter of national interest, not because we are pleading any special favours for the farmers, not because we are pleading poverty of the farmers, but because we believe that, in the interests of stabilization of the greatest and basic industry in Canada, the house should adopt this motion.

The house divided on the amendment to the amendment (Mr. McCullough, Moose Mountain) which was negatived on the following division:

YEAS

Messrs:

Barnett
Blackmore
Cameron (Nanaimo)
Campbell
Castleden
Gillis
Hansell
Herridge
Holowach
Jones
Knowles
Low
MacInnis
McCullough (Moose Mountain)
Nicholson
Noseworthy
Patterson
Quelch
Regier
Shaw
Stewart (Winnipeg North)
Thatcher
Thomas
Winch
Yuill
Zaplitny—26.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcer
Balcom
Batten
Bell
Benidickson
Bennett (Grey North)
Bennett, Miss (Halton)
Blair
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Campney
Cardiff
Cardin
Carter
Casselman
Cauchon
Cavers
Charlton
Chevrier
Claxton
Cloutier
Cote
Crestohl
Croll
Dechene
Denis
Deschatelets
Dickey
Drew
Dumas
Dupuis
Enfield
Eudes
Fairclough, Mrs.
Fairey
Fleming
Follwell
Forgie
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Gour (Russell)
Gourd (Chapleau)
Green
Gregg
Hanna
Hardie
Harkness
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Wellington-Huron)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
LaCroix
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lennard
Lesage
Lusby
Macdonnell
MacDougall
MacEachen
MacKenzie
MacLean
MacNaught
Macnaughton
McBain
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Martin
Masse
Matheson
Meunier
Michaud
Michener
Mitchell (London)
Mitchell (Sudbury)
Monette
Monteith
Nesbitt
Nixon
Nowlan
Pallett
Pearson
Perron
Philpott
Picard
Pickersgill
Pinard
Pommer
Poulin
Pouliot
Power (St. John's West)
Prudham
Purdy
Ratelle
Richard (Ottawa East)
Roberge
Robichaud
Robinson (Bruce)
Rowe
Roy
St. Laurent
Schneider
Shipley, Mrs.
Sinclair
Smith
Starr
Stick
Stuart (Charlotte)
Tucker
Tustin
Viau
Villeneuve
Weaver
Weselak
White (Waterloo South)
Wood—168.

**Mr. Speaker:** Is the house ready for the question?

The house divided on the amendment (Mr. Harkness) which was negatived on the following division:

YEAS

Messrs:

Balcer
Barnett
Bell
Bennett, Miss (Halton)
Blackmore
Blair
Brooks
Cameron (Nanaimo)
Campbell
Cardiff
Casselman
Castleden
Charlton
Drew
Fairclough, Mrs.
Ferguson
Fleming
Fraser (Peterborough)
Fulton
Gillis
Green
Hansell
Harkness
Herridge
Holowach
Howe (Wellington-Huron)
Jones
Knowles
Lennard
Low
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
Michener
Mitchell (London)
Monteith
Nesbitt
Nicholson
Noseworthy
Nowlan
Pallett
Patterson
Perron
Quelch
Regier
Robinson (Bruce)
Rowe
Shaw
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
Winch
Yuill
Zaplitny—58.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Benidickson
Bennett (Grey North)
Blanchette
Boisvert
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Boucher (Restigouche-Madawaska)
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Campney
Cardin
Carter
Cauchon
Cavers
Chevrier
Claxton
Cloutier
Cote
Crestohl
Croll
Dechene
Denis
Deschatelets
Dickey
Dumas
Dupuis
Enfield
Eudes
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Gour (Russell)
Gourd (Chapleau)
Gregg
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
LaCroix
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrancois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Martin
Masse
Matheson
Meunier
Michaud
Mitchell (Sudbury)
Monette
Nixon
Pearson
Philpott
Picard
Pickersgill
Pinard
Pommer
Poulin
Pouliot
Power (St. John's West)
Prudham
Purdy
Ratelle
Richard (Ottawa East)
Roberge
Robichaud
Roy
St. Laurent
Schneider
Shipley, Mrs.
Sinclair
Smith
Stick
Stuart (Charlotte)
Tucker
Viau
Villeneuve
Weaver
Weselak
White (Waterloo South)
Wood—137.

**Mr. Speaker:** I declare the amendment lost. Is it the pleasure of the house to adopt the main motion?

[Mr. Speaker.]

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

DEPARTMENT OF TRANSPORT

Meteorological division—

*489.* Administration, operation and maintenance, $6,963,110.

**The Deputy Chairman:** Shall the item carry?

**Mr. Green:** Mr. Chairman, this item is for the administration, operation and maintenance of the meteorological division and the total vote amounts to about $7 million for the present fiscal year. This is an increase of nearly $500,000 over last year's vote. I notice in the details at page 549 there are increases in such items as freight, express and cartage of about $40,000; in facsimile communications, an increase of $125,000; teletype an increase of $30,000; publication of "monthly record of meteorological observations" and other papers, an increase of about $20,000; and for office stationery, supplies and equipment quite a large increase of $85,000 for this year over last.

Will the minister explain why it is necessary to have this very large increase in this item for the present year? Will he also give us some idea of the present situation with regard to weather mapping in Canada which, I presume, comes under this vote? I believe we have a very efficient system. Perhaps the minister could give the committee a short summary of the present situation.

**Mr. Chevrier:** This is, in fact, a large vote and there is, as my hon. friend says, an increase for which I think I can give a satisfactory explanation. In the first place, there is an increase of almost $500,000 in salaries which in itself accounts for a large portion of the increase to which my hon. friend refers. There is an increase of $125,000 with reference to facsimile communication, as he has pointed out, and that is for the new system of facsimile weather mapping introduced last year based at Dorval. It is a rather technical thing and I doubt if I can explain it fully, but the object of it is to centralize in one area our entire map analysis. In other words, the reports which come from the northernmost station of Canada down into the main operational airports are centralized in this one area through this facsimile system and it is possible in a matter of seconds to obtain the weather conditions from one end of the country to another. For example, when I assisted at the inauguration of this facsimile system at

Dorval, together with the chief of air staff, I think it was possible in less than a second to obtain reports from Winnipeg and Gander on the condition of the weather over this facsimile instrument. Of course, the cost of that is somewhat high, as my hon. friend will appreciate.

There is an increase in office stationery, supplies and equipment of $84,000 and that is attributable as well in part to the facsimile system because it is necessary to have a special kind of paper not only in the Dorval area but at all of these airports in Canada.

Repairs and upkeep of buildings and works show an increase of $21,000 but that, I think, can be explained by the increase in other votes in similar subdivisions due to the increase in the cost of material and the like.

Item agreed to.

Construction services—

*495.* Construction or acquisition of buildings, works, land and new equipment, including construction work on municipal airports, $10,737,291.

**Mr. Mitchell (London):** Mr. Chairman, I desire to direct the minister's attention to the airport at Crumlin, Ontario, which serves London and the great majority of the western Ontario counties. In November, in the course of the debate on the address in reply to the speech from the throne, I raised the question in this house and pointed out that this airport at Crumlin was the only airport which could be considered to be a major one between Toronto and Windsor. I also pointed out that it served one of our largest commercial and producing areas, concentrated in a comparatively small area in Canada. Perhaps at this stage I might ask the minister to correct me if I am wrong because the details are exclusively in the knowledge of the government, and of many of them I have no knowledge. However, at that time it was my understanding that an appropriation was to be made for the extension of the runways at the airport at Crumlin on the basis—

**Mr. Chevrier:** Perhaps my hon. friend will excuse me, but I do not quite understand him. Is he now referring to the London airport?

**Mr. Mitchell (London):** Yes, Mr. Chairman, but we call it the Crumlin airport because it is actually located at Crumlin. At that time it was my understanding the government were giving consideration to the spending of certain sums of money for the development of this airport into one which could take the largest and fastest types of aircraft now being used.

When the estimates appeared I was therefore somewhat surprised to find that no provision had been made for the extension of the runways to permit either military aircraft or the larger and faster types of civilian aircraft to use this field, and it is a matter of very great concern within the city of London, not only so far as the municipal council is concerned, but particularly as regards the chamber of commerce.

The problem has recently been accentuated by the rumours which have appeared to the effect that consideration is being given to equipping No. 420 squadron of the Royal Canadian Air Force with a jet-type aircraft. If such is the case, and once again I would ask the minister to correct me if I am wrong, it would appear that jet-type aircraft cannot land or use the present facilities at the city of London airport. I might point out that No. 420 squadron of the air force is a most active squadron, training large numbers of personnel from London and district. In addition to that fact, there is located at this airfield or immediately adjacent to it one of the basic training centres operated by the air force for the training of NATO air personnel.

Once again I delve into the realm of conjecture. I am led to believe that certain overtures were made either by the department to the municipal authorities or the other way around, with respect to the future operation of this airfield. I am rising purely for the purpose of asking the minister to explain to us what has occurred, why there has been a diminution of interest, if such is the case, in the development of the city of London airport, and what the plans for the future are in so far as either military or civilian use of the airport is concerned.

**Mr. Chevrier:** I thank my hon. friend for his constructive intervention with reference to the London airport. Let me tell him that there is not the slightest indication on the part of officials of the department of lack of interest in that establishment. London has a very good airport—I have been there on at least two occasions—and it has many potentialities. Unfortunately, however, it is not one of the main major airports in Canada, and I do not say this in a derogatory sense at all. There are so many major airports in Canada that consideration has to be given to those first and foremost. It is a fact that in our first draft of estimates there was an item for the construction of a runway at London. But after consideration by treasury board, because of the demands that came from major airports and because of the over-all picture, it was decided not to pursue the matter and not to include it in the present estimates.

Then there was another feature which my hon. friend has raised, namely that having

to do with the R.C.A.F. It may very well be that the R.C.A.F. will require additional facilities at London. I am not competent to say whether that is so or not. But if additional facilities are required—and that was another matter that influenced treasury board in its decision—then national defence will ask us to build a runway. They will provide the funds and we will do it. That is generally the method by which we proceed. The decision is as I have stated it. It may be true that from a civilian standpoint it will be possible to include at a future date a sufficient sum of money to build a runway. However, I am frank with my hon. friend. I tell him what the decision is and I am afraid I cannot go any further.

**Mr. Mitchell (London):** Mr. Chairman, may I pursue this matter just one step further and ask the minister what was the outline of the negotiations, if any, which took place between the department and the city with respect to the taking over of the airport by the city? If there were any such negotiations, did that fact have any bearing on the subsequent disappearance from the estimates of any item for the extension of airport runways?

**Mr. Chevrier:** The only information I have is that to the authorities of the city we sent an officer who had some talks, but we have not had any information arising out of the visit of the Department of Transport official to the municipality.

**Mr. Fraser (Peterborough):** Surveys have been made around Peterborough by the minister's department. Can the minister say what has been done with regard to the airport there? At present we have one which can take small planes. I just wondered whether the department was going to do something more for us.

**Mr. Chevrier:** Not at the moment, I am sorry to say. I am familiar with the situation because I have had several representations by both civic and other groups from Peterborough. In fairness to my hon. friend I may say that I believe he has also brought the matter to my attention. The point is that there are sites which might be adaptable for airport development. The decision of the department has been that in the case of a municipality, the municipality should make some contribution. At one time there was a question of assistance by way of groups other than municipal groups. While I have had representations to the effect that such contributions would be forthcoming, no firm offer has been made. To sum up the matter I would say this. There is the possibility of development of airport sites in the Peterborough area. There would have to be representations either by the municipalities or by other groups. There have been some. However, there would have to be more firm representation before we would be in a position to say to what extent we could contribute to that project.



**Mr. Fraser (Peterborough):** I thank the minister.

**Mr. MacLean:** I should like to ask the minister the position in connection with the Charlottetown airport. A year or two ago, I believe, there were negotiations between the minister's department and the city of Charlottetown with respect to extending the runways there and improving the airport generally. The minister is familiar with the amount of traffic that is borne from that airport and also with its inadequacy, especially from the point of view of the length of runways.

Then I had a more general question. Perhaps the minister could take it at the same time. I would appreciate it if he would bring us up to date on the position with regard to the Charlottetown airport and also if he would be kind enough to give the committee some information on the general revenue which is derived from some of the larger airports in Canada, from rentals or any other income from air lines and other users of the large airports. I should like to have an idea of what return there is on the investment, so to speak.

**Mr. Chevrier:** I shall be glad to review the position of the Charlottetown airport. My hon. friend will remember that when I was down to Charlottetown last year and met the mayor of the city together with one of the ministers of the Prince Edward Island government and some of the members of the legislature, my hon. friend was good enough to meet me at the hotel later on. The discussion centred around the policy of the government having to do with municipal assistance to airports. We viewed the location and agreed that it would be in the interests of aviation to extend the runway. There were two alternatives, but there was one alternative that our officers favoured; and I think on consideration the mayor and those interested on the island felt that it was the better of the two sites.

I outlined the policy. I indicated to the municipal authorities that the land would have to be expropriated by the municipalities and that we would provide the facilities. There has been some correspondence between the mayor and me—I now have to draw on my memory—the last of which outlined our

policy which is similar with reference to all municipalities. There has been no definite answer saying that the municipality would expropriate the land in question.

Although it has not come to me formally, there has been some suggestion that because this airport is on a trans-Canada route we should undertake to handle the whole expenditure which, in this case, would be quite considerable. That suggestion has not come to me formally and until it does I am not in a position to make any comment.

With reference to the second question my hon. friend asked, possibly I can pick out a number of the main airports. For instance, at Gander the revenue is $2,787,000, but I am sorry to say the expenditure is much higher than that. At Winnipeg the revenue is $137,000 and the expenditure is $74,000. At Toronto the revenue is $335,000 and the expenditure is $277,000. I think I should say in fairness to Gander that the position there is not comparable at the moment with the other airports, but I think in time the expenditure will be much lower than the revenue. At Dorval they break about even, with revenue being $765,000 compared with an expenditure of $800,000.

**Mr. Knowles:** The figures the minister is now giving are for maintenance, are they not?

**Mr. Chevrier:** Yes, operation and maintenance.

**Mr. Knowles:** I believe at the moment we are on item 495 which provides $10,737,291—

**Mr. Chevrier:** If I may interrupt, the question asked was what were the revenues for other major airports in Canada. I am giving the revenues, and perhaps I should not have added the expenditures.

**Mr. Knowles:** I was not critical of what the minister was giving. I simply wanted to be sure that that was what it was so that I could then ask him if he would indicate what portion of the $10,737,291 is being spent on the improvements now being made at the Winnipeg airport.

**Mr. Chevrier:** There is a considerable amount. There is a new runway which will cost over a million dollars, and in the estimates we provide for the first stage of it. The contract has been awarded to a prominent contracting firm in Winnipeg and I think the work will start in the near future. There is a fairly lengthy list of other developments. There is the installation of high intensity runway lights which will cost over $50,000, and high intensity approach lights, $65,000. There is the establishment of emergency power facilities, $40,000. There are a number of other smaller items, but the main item in this figure of $10 million odd is for a million dollar runway, a portion of which only is provided for in these estimates.

**Mr. Knowles:** Is that a case of lengthening a runway or rebuilding one?

**Mr. Chevrier:** It is a completely new runway.

**Mr. Cardiff:** With respect to extending runways, I should like to ask the minister into what category the airport at Centralia falls compared with other airports in Canada. We had five airports in the county of Huron during the war and now there are two in full operation. We think they are quite important airports and I wondered what category they were in.

**Mr. Chevrier:** I also think they are of tremendous importance, but from a military standpoint only. They are not provided for in these estimates. We have no civil facilities at Centralia at all.

**Mr. Mitchell (London):** May I direct one or two further questions to the minister to clarify the position with respect to the London airport. First, what is the annual operating loss of the airport? Second, may I point out to him and ask for his comment on the fact that the city of London industrially is growing east. It must grow in that direction. As the minister undoubtedly knows, within the past four to five years a large heavily industrialized area has grown up immediately to the west of the airport. Unless steps are taken within the very near future to establish the London airport as a major airport, it is going to be encroached on by industry to such an extent that it may well be deemed advisable in the future that it not be accepted as a major airport.

There is a third problem concerning which I have no personal knowledge, but I understand there are certain topographical difficulties in connection with the development of the airport. Would the minister comment on his information in that respect?

**Mr. Chevrier:** With reference to the first question, the answer is that the annual operating loss was $60,000. As to the second question, I am sure my hon. friend would not expect me to be able to deal with the details of airport development. There are some 200 airports in Canada, and while I indicated earlier I had been at London on two occasions it is some time ago. I know that it is a fast growing industrial centre, and because of what I have seen at both Toronto and Montreal with respect to the rapidity of industrial development in the last few years in the vicinity of Malton and

Dorval I would not attempt to prognosticate anything so far as development at London is concerned. All I can say is that we have London very much in mind. However, I hope my hon. friend will realize that we have got to give attention to the major transcontinental airports. I know that T.C.A. is particularly interested in London. I know that T.C.A. would like to have a cross-country run between Montreal and Windsor with stops at Cornwall, Kingston, Belleville, Oshawa, Toronto and London.

**Mr. Fraser (Peterborough):** Why not include Peterborough?

**Mr. Chevrier:** I do not think Peterborough is in that line of operation. Perhaps we should reserve that for C.P.A. However, in any event I think these are matters which will have to wait their turn. I have no doubt that London stands right in the centre of an area which will benefit, but I cannot say how soon we can get to a runway or other additional facilities for London at this time.

**Mr. Tucker:** Would the minister tell the committee what has happened with respect to the administration building at the airport at Saskatoon which, as he knows, is in the constituency of Rosthern.

**Mr. Chevrier:** When I was there recently pretty fair progress had been made. As the hon. member for Rosthern knows, the contract was awarded to an excellent contractor and it is expected that the terminal building will be ready for operation this fall.

**Mr. Barnett:** I wonder whether the minister can make a statement as to what progress is being made towards the establishment of more adequate civilian facilities at the Comox airport? Is he in a position to make a statement at this time?

**Mr. Chevrier:** I am informed that is a military station. That matter is now under discussion with the air force which has it in hand, but just what it is proposed to do I do not know. It is not a civilian airport. My officer informs me that facilities will be installed some time this year by the Department of National Defence.

**Mr. Nixon:** Do I understand that when an airport is built on a main line of T.C.A. the entire expenditure is paid by the department?

**Mr. Chevrier:** I could not answer affirmatively in a broad way. It depends on the circumstances in each case. Some airports right on the transcontinental route are owned by the municipalities. The municipalities make a substantial contribution toward them, but most of the expenditures are made by the Department of Transport for runways, lighting facilities, meteorological service and the like. The contribution of the municipality, as a rule, is their retention of the land and then the operation of the airport itself. What is done from time to time is a contribution to a municipality in an isolated area. I would not take it that my hon. friend's constituency is in that category, but it is, I know, in one of the important parts of Ontario.

As my hon friend knows, we have in the past used the United States field on the T.C.A. run. There is no assurance that will always be the case.

Item agreed to.

497. Contributions to municipalities or public bodies for construction and improvements of airports on land acquired by such organizations, $93,300.

**Mr. Herridge:** The Castlegar airport committee wish me to express their appreciation of the consideration the minister has given, and the government, to the needs of a first-class airport in the Kootenays. The construction of this airport, they feel, is an example of the ideal type of co-operation between all levels of government, federal, provincial and municipal. They have asked me also to express their great satisfaction at the work and co-operation of the minister's officials, and their great satisfaction with the work done by the contractors.

This piece of work has been carried out to the satisfaction of all concerned. I might say to the minister that the airport was opened, as he knows on May 30. There were 15,000 and 16,000 people who attended the opening. There were 5,320 cars driven on the grounds. This is a great asset to the Kootenay district, which we all appreciate.

Item agreed to.

498. Contributions towards airport development and other airport projects on cost-sharing basis, in the amounts detailed in the estimates, $240,000.

**Mr. Patterson:** On a number of occasions during this session representations have been made to the government concerning the various needs of the Fraser Valley constituency. I regret that those representations have not, in every case, been considered favourably, for I assure you that they have been very commendable. However, there have been some occasions when we have received favourable consideration. I should like to express my appreciation, and the appreciation of my constituency, on this occasion. In the list of items on page 561, under vote No. 498, there is an amount of $130,000 for assistance to the city of Chilliwack, and the township of Chilliwack, British Columbia, for airport development. This airport has become increasingly necessary and valuable

in the field of civil aviation. On behalf of my constituents, I should like to thank the minister for the favourable consideration given and for the inclusion of this item in the estimates.

Item agreed to.

Air transport board—

*501.* Salaries and other expenses, including the Canadian delegation to the international civil aviation organization, $274,089.

**Mr. Green:** I take it that one of the main objectives of the air transport board is to promote civil aviation in Canada. It would seem that the main function of this governmental body is to carry on work of that kind. Would the minister explain why there is not a more determined effort to give government flying work to the flying companies. Apparently quite a lot of government flying is done by the R.C.A.F. It does seem to me that some of this could be turned over to the civilian companies.

For example, I got a return earlier in the session which showed that the R.C.A.F. had carried for the Iron Ore Company of Canada, which as the minister knows is the company developing the northern Quebec and Labrador iron ore deposits, 989,432 pounds of cargo and 121 passengers, and had done 181·15 hours of flying, for which they were paid. My information is that there were civilian companies in a position to do that flying. Apparently the Iron Ore Company came to the government with a story that there was great need for fast action. They may have felt that the civilian companies would charge a little more than the R.C.A.F., but it does seem to me there should be an explanation as to why private work of that kind is taken away from a private flying company.

Surely, we are not financing the air force to do work of that kind. This seems to me to be one way of fostering the development of civil aviation in Canada, which after all is the basis of the whole industry. I was not in the east at the time, but I understand there were press reports to the effect that one member of the air transport board had objected, and had taken the position that this work should have been done by a private company rather than by the R.C.A.F. It would appear that he was correct.

There is other work being done, such as flying into these meteorological stations which come under the Minister of Transport. I understand that is being done by the R.C.A.F. Why should it not be possible for flying of that type to be done by the private companies? Then, again, there are the ice patrols on the Atlantic coast, and that work is done by the R.C.A.F. I see no reason why it could not be done by the private companies. The United States has a different policy. There they give every encouragement to the private firms, and I believe in the continental United States they even have a lot of defence force flying done by the civilian companies.

The minister's department is the one that should be looking after the promotion of civilian flying. The defence department can look after the air force. I do not understand why more aggressive steps are not taken by the Department of Transport to see that flying of the type I have mentioned is done by private Canadian companies.

**Mr. Chevrier:** My hon. friend is quite right in his assumption that the civil aviation division of the Department of Transport should give every encouragement to civilian flying. I can assure him that we do. I wish my hon. friend knew what co-operation and co-ordination there is between the air transport board and officers of the Department of Transport and groups of civilian flying organizations, flying clubs, IATA, ICAO, and the many other groups. It is the object of the officials in the department to make sure that civilian flying is given every opportunity.

We do see to it that government work is given to civilian companies. In fact we have a directive that goes to every department of government indicating to all those departments using flying services that they must ask civilians for service. That directive has had the approval of my colleagues in the government. Further than that, officials in the other departments see to it that that directive is put into effect.

Now, that is not the case in connection with the R.C.A.F. or defence work. It is not possible for this department to control the activities of the Department of National Defence.

My hon. friend has asked about flying in connection with the meteorological stations in the north. Those stations that are concerned with the Department of National Defence are handled by that department; and I do not think my hon. friend would expect it to be otherwise. After all, these are joint operational weather stations under the plan between Canada and the United States, and they are pretty close to being on the secret list. It is felt that they should be serviced by the R.C.A.F.; and they have been. I think there is a valid reason for it.

I believe my hon. friend's information with respect to ice patrol is incorrect, because ice patrol on the St. Lawrence to my recollection has always been given to a civilian company. In fact this year it was Maritime Central that had it; and I believe Northern Wings may have had it on a previous occasion.

**Mr. Green:** What about the Atlantic coast as distinguished from the St. Lawrence?

**Mr. Chevrier:** On the Atlantic coast we have given a number of contracts for ice patrol to Maritime Central.

**Mr. Green:** And Hudson bay?

**Mr. Chevrier:** I am not able to answer with respect to Hudson bay at the moment. But I do know that on the Atlantic coast it has gone to Maritime Central.

**Mr. Green:** Will the minister look into the situation on Hudson bay?

**Mr. Chevrier:** Yes; I believe I can get the information almost at once. Then, turning to the Hollinger contract, let me say the position was that Hollinger-Ungava advised us that they could not obtain the services of civilian air lines, and for that reason the company saw fit to ask the Department of National Defence to do it. That department had to make some charge, and that charge was higher than that for which civilians would have done it.

**Mr. Green:** I think not. The rate the R.C.A.F. charged was 42 cents per ton-mile. I understand that is below the ordinary civilian rate for that work. And I am told, further, that private planes were available. I asked the Minister of National Defence about it when his estimates were being considered. His reply was that the manager had phoned him, pointing out that he was in a great hurry and that this was work of strategic importance. Therefore the R.C.A.F. took it over. The Minister of National Defence had nothing to say about there being no civilian planes available.

I believe a ruling was made on the point by the air transport board. The Minister of National Defence told me that before he allowed the R.C.A.F. to do the work he got clearance from the air transport board.

**Mr. Chevrier:** Well, he would get clearance through the air transport board only if it was clear that there were no civilian air lines able to do it. The information the chairman of the air transport board gives me—and he is now sitting before me—is that on that occasion Hollinger-Ungava had advised they could not obtain the services of civilian air line companies.

Then, added to that, my hon. friend reminds me, is the statement given to him by the Minister of National Defence that a portion of the work—perhaps a great portion of it—was strategic. That may have prompted the decision that was taken in this instance.

[Mr. Chevrier.]

**Mr. Green:** But did the air transport board make any investigation with the civilian companies to find out whether planes were available?

**Mr. Chevrier:** Yes.

**Mr. Green:** For example, did they inquire of Maritime Central Airways as to whether planes were available for that work?

**Mr. Chevrier:** Yes, they did. They inquired not only of Maritime Central Airways but they also inquired of two or three other companies on the north shore that might have been able to take on that work.

**Mr. Green:** I hope the department will be on the alert in the future to prevent this sort of thing happening. I do not believe there was anything in the argument that this was emergency work. I cannot see how there would be anything about it that could be considered in the nature of an emergency. It is a civilian undertaking consisting of the opening up of iron ore deposits and the building of a railway. If they have the right to go to the Department of National Defence and get air force planes to do their flying, then there are dozens of other firms in Canada which have just as much right to use the service offered by the R.C.A.F. I hope the minister's department will be very careful about giving permits of this kind in the future.

Item agreed to.

Air transport board—

754. Subventions for air carriers, as detailed in the estimates, $20,000.

**Mr. Green:** I should like to have an explanation of this item.

**Mr. Chevrier:** This is the last payment of a subsidy of $100,000 to Queen Charlotte Airlines Limited. My hon. friend will recall that during the course of the winter, operations of Queen Charlotte became difficult. They had been in a difficult position the year before. It was brought to the attention of the air transport board that they could not carry on unless they had some assistance. The air transport board investigated the matter and reported to the government that it felt it was desirable that under the terms of the Aeronautics Act assistance should be given to Queen Charlotte Airlines for another year because of the isolated and northern areas on the Pacific coast as well as on Vancouver island that they had to service. This is the last of five payments of $20,000.

**Mr. Green:** Has there not been some quarrel on the west coast between this and another firm about service to Kitimat?

**Mr. Chevrier:** Yes.

**Mr. Green:** What is the situation?

**Mr. Chevrier:** The situation has been ironed out, and I understand everything is satisfactory. The procedure that was taken under the Criminal Code and the lawsuit in the civil court has now been withdrawn; and my understanding is that the Department of Transport officers and the Pacific Western Airlines are now on the best of terms.

**Mr. Green:** They are not shooting at each other any more?

**Mr. Chevrier:** That is right.

Item agreed to.

Board of Transport Commissioners for Canada—

502. Administration, operation and maintenance, $952,030.

**Mr. Knowles:** Mr. Chairman, I should like to say a few words in support of representations that have already been made at this session with respect to the need for a greater number of grade crossing separations in this country. Other hon. members have given statistics and examples as to the loss of life that takes place because of accidents between trains and automobiles. It does seem to me that it may be necessary to revise the formula or to change the policy so that a large number of grade crossings at which accidents are taking place might be eliminated as level crossings.

I buttress what I am trying to say in connection with this matter by drawing attention to one particular level crossing to which I have referred in the house on a number of occasions. I refer to the point where the heavily travelled thoroughfare between the city of Winnipeg and the town of Transcona crosses the main line of the Canadian Pacific Railway. That crossing is actually within the city limits of Winnipeg but, as I pointed out, it is a main thoroughfare between those two communities. On one previous occasion, after I had raised this question a number of times, the minister pointed out to me that the crossing in question is protected by gates that come down halfway across the thoroughfare, and also by a signal system which operates as well as such a system can operate. It is my contention that that is really not good enough. I hold in my hand a clipping from the Winnipeg *Free Press* of August 15, 1953, which reports a tragic accident which took place on August 14, at that crossing. I say it was a tragedy. A gentleman who lived in Transcona died as a result of the accident. What I wish to point out is that this accident shows up the inadequacy of those halfway gates, signals, bells, lights and what-have-you.

According to the report in the Winnipeg *Free Press*, this man was driving from Transcona to Winnipeg and stopped at the crossing because there was a train travelling east. He waited of course until the train went by, but just as the train went over the crossing he started his truck to move west on into Winnipeg. The noise of the train travelling east made it impossible for him to hear another train that was coming west at the same time. He thought the road was clear, but what happened was that he drove right into the path of this oncoming westbound train. The newspaper report indicates that the man lost his life and that the truck was demolished.

I simply cite that instance, along with others that other hon. members have been speaking about during the discussion of the minister's estimates, to point out the inadequacy of signal lights, bells and even gates. What is needed at crossings such as this, where there is heavy traffic, is a grade separation. I point out that it is a very busy spot, where the main line of the Canadian Pacific Railway east and west crosses the heavily travelled thoroughfare between Winnipeg and Transcona.

I know that one of the other answers the minister has given on previous occasions is that this case and others like it should go before the board of transport commissioners, and that whether or not a separation could be made depends upon whether the municipalities and the railway concerned are prepared to put up the necessary money. That being the case, it seems to me that some revising of that formula, some revising of government policy in connection with this matter, is indicated. What happened here happens far too often across the country. Because of our responsibility for protecting life and limb in this country, I hope that something will be done to revise that policy so that more of these grade crossings can be eliminated.

**Mr. Chevrier:** May I say I think the hon. member and the committee will get a great deal of satisfaction from the report on the grade crossing investigation which I shall table before the end of the session. It is a lengthy report, and it makes a number of recommendations, all of which I think are to the good, recommendations regarding an amendment to the Railway Act. It would be well if the committee and the government as well had an opportunity of studying the document before the next session, because it has come down too late in this session to take any action on it. I hope, now that I have given that assurance, the committee will

not enter into a discussion on individual grade crossings, because quite a number of them have been discussed earlier.

**Mr. Knowles:** Did I understand the minister to say that he is going to table a copy of that report at this session?

**Mr. Chevrier:** Yes, and it will contain some very vital recommendations, many of which —I will go further and say I hope most of which—we shall be able to implement by way of legislation; but I cannot at this stage be prognosticating government policy. Since I have said that, I would hope that hon. members would be reasonable in their discussion of this because, if my recollection serves me right, there are 33,000 level crossings in Canada, and I know there are many in each constituency, and we could go on at some length discussing them. I would not say this if I were not going to table the report, which I assure the committee is an excellent document.

**Mr. MacLean:** What precautions will be taken when new railway lines are built, such as those proposed to be built in the near future, to prevent the building of level crossings that at a later date will have to be eliminated at a great expense?

**Mr. Chevrier:** Most of the railways that are being built and have been built in the last several years are built in the wilderness, so that the question does not arise and will not arise until the population in those areas increases far more than it is now.

**Mr. MacLean:** What I mean to say is that provision should be made so that that does not occur. Perhaps liaison with the provincial departments of highways and municipalities could be brought about so that proper provision might be made for at least some of the railway crossings that cross main highways.

**Mr. Nesbitt:** I am afraid the minister is forever going to associate me with the Creditville crossing. I have mentioned this level crossing on various occasions in the house and I have had some correspondence with the minister on it, which he has always received sympathetically. An hon. member to my left thanked the minister earlier this afternoon for airports and assistance to some other ports in the country. I hope that this time next year I shall be in a position to do the same with respect to this Creditville crossing which is located seven miles east of Woodstock.

In view of the remarks the minister has just made, I do not intend to make any extensive remarks, but I know that there are many level crossings in Canada. I think this is probably one of the worst, and from an economic point of view would be one of the most easily eliminated. Since I have sent the minister a copy of this, for the purpose of the record I would like to read briefly from the London *Free Press* of Friday, June 11, at page 10:

> The C.N.R. crossing on No. 2 highway near Creditville, commonly called, "suicide crossing" has been the scene of 24 accidents resulting in one fatality, 10 injured and damage estimated at $8,425 in a little over a year.

The article goes on to cite some further information. I might say that these statistics are not quite up to date, because since June 8 there have been two additional deaths and several injured at this crossing. That damage figure of $8,425 does not include the damages awarded in extensive and expensive litigation. I have already mentioned it several times, and I hope the minister will consider it with some sympathy.

In the neighbouring city of Stratford someone wrote a book called "Renown at Stratford". I hope someone will write a book about this crossing and call it "Carnage at Creditville".

**Mr. Fraser (Peterborough):** I hope in the recommendations which have been made there is a suggestion that the freight cars be painted along the bottom of the side so that there will not be so many of these crossing accidents in which the automobiles crash into a stationary train, especially on a rainy night. That is how a great number of these accidents take place.

**Mr. Chevrier:** I do not wish to anticipate what is in the report.

**Mr. Fraser (Peterborough):** I thought you knew what was in it.

**Mr. Chevrier:** I know what the recommendations are but I think perhaps they should be made public when the report is tabled.

**Mr. Fulton:** Would the minister comment on the possibility of providing in the case of individual railway construction that where the main line of a railway meets a highway there shall be from there on either an underpass or an overpass. Would it not be possible to provide for that in the bill covering railway construction?

**Mr. Chevrier:** There is a discussion of that very point in the report which will be tabled although I am not quite sure whether there is a recommendation. However, since there has been a discussion on the point I hope my hon. friend will be prepared to allow the matter to stand meantime.

**Mr. Fulton:** Perhaps the minister, before he leaves for the St. Lawrence seaway development project, might leave this indelible mark on the transport legislation of Canada. In fact, it might well be his valedictory to introduce legislation to that effect. That would seem to be most appropriate because otherwise we are going to go on having these jurisdictional conflicts between the province and the dominion as to whose responsibility it is to provide for crossings or underpasses. Surely it could be clearly provided—the minister should not get annoyed because we wish him well in his new appointment.

**Mr. Chevrier:** My hon. friend is getting annoyed. I am not getting annoyed.

**Mr. Fulton:** Well, the minister looks cross.

**Mr. Chevrier:** How could I look cross at my hon. friend?

**Mr. Fulton:** I am glad to hear the minister say that. I would like to see him do something about this because this is the last opportunity we will have to discuss this proposition with the minister, who has held his present position for ten years or so and is thoroughly familiar with the problem, more so than anyone else will be for a number of years. He is well aware of the difficulties which surround this question of final responsibility, and whether it is the responsibility of the province to put a road under the railway or the responsibility of the railway to put a road over the highway. Surely it is about time some legislation were enacted which would lay this down clearly with respect to future railway construction. It seems to me to be reasonable that in the case of a main line it should be clearly designated that such a line will be the joint responsibility of the railway and the province with respect to providing a grade crossing over that line.

**Mr. Chevrier:** Mr. Chairman, I am sure no one knows better than my hon. friend the great difficulties surrounding this problem and the government was made fully aware of them after it received certain representations from the board of transport commissioners. That is why we asked the board to study the whole railway-highway crossing problem and matters relating thereto. The board have studied this question and my answer to my hon. friend is to let us see what the board recommends in the report which will be tabled before the end of the session. I have obtained permission from my colleagues in the government to give the house the assurance that it will be tabled. But it must be printed in English and in French and there are quite a number of copies to be made. It is not yet ready but I hope it will be on, shall I say, Friday, and if not then early next week. If perchance the house were to adjourn or prorogue before the report is tabled I will see to it that each member of the house gets a copy of the report.

**Mr. Fulton:** I hope the minister will insist on its being tabled in time so that he may introduce some recommendations with respect thereto, because I can think of no more lasting memorial—

**Mr. Pickersgill:** Is this the time for obituaries?

**Mr. Fulton:** —than legislation dealing with this difficult and vexing question which is of interest not only to his own province but to every province of Canada and to those of us who have to travel the highway and cross railway tracks. Without making any commitment I might say that I would be glad to receive the minister's report and his recommendations; for in view of his long experience I think his recommendations would be quite sound.

Item agreed to.

Canadian maritime commission—

*503.* Administration, $160,520.

**Mr. Green:** When will the annual report of the Canadian maritime commission be available? That report covers the year to March 31 and under the act the government has only three months in which to table it. Will we be able to get it before the house prorogues?

**Mr. Chevrier:** I am informed it will be ready for tabling before the end of the session.

**Mr. Green:** Can the minister tell the committee whether all of the Canadian deep-sea cargo vessels for which approval for transfer to the United Kingdom registry was sought have now been transferred?

**Mr. Chevrier:** All the applications that have been made to the maritime commission have been approved by the commission for furtherance to the British ministry of transport, and all except two have been approved by the British ministry of transport.

**Mr. Green:** When all those ships have been transferred to the United Kingdom registry what will be the number of deep-sea cargo vessels on the Canadian registry? I dealt with this on May 13 as reported at page 4706 of *Hansard* and my information at that time was that by the time all these transfers had gone through there would only remain 21 dry cargo deep-sea vessels in Canada's merchant fleet. I would like to have the minister

verify these figures. I will give him the list. Once these transfers have gone through the total number of deep-sea dry cargo vessels, which, of course, would not include the tankers, would be 21, and of that number 7 would be engaged in coastal trade and not in deep-sea service. Another 8 would comprise the Canadian National Steamships fleet, and I understand there would be only two of the wartime 10,000-tonners left in deep-sea service, one 4,000-tonner built in wartime, and 3 other vessels, none of which would be modern ships. Can the minister tell me whether or not those figures are accurate? If not, can he give me accurate figures in those categories.

**Mr. Chevrier:** As far as I can ascertain, the hon. gentleman's figure is as accurate as we can have it at this moment, namely, that there are 21 dry-cargo vessels but all of them are deep-sea and none of them are coastal.

**Mr. Green:** I said "are engaged in the coastal trade". I am informed that seven out of the 21 are not engaged in the deep-sea trade but are engaged in the coastal trade. That would leave only 14 Canadian vessels in the deep-sea trade.

**Mr. Chevrier:** The information I have is that four are engaged in the coastal trade and that the others are engaged in ocean trade.

**Mr. Green:** How many of the 10,000-tonners built during the war are engaged in the deep-sea trade? The figure I gave the minister was two.

**Mr. Chevrier:** It is difficult to give a firm answer because of the position of the transfers and the applications that have been made.

**Mr. Green:** I mean where the transfers have gone through.

**Mr. Chevrier:** Assuming that they have gone through, there will be about three or four 10,000-tonners engaged in the deep-sea trade and three in the coastal trade.

**Mr. Green:** How many of the 4,000-tonners?

**Mr. Chevrier:** One in the coastal trade and eight in the deep sea trade.

**Mr. Green:** Will those eight all be Canadian National Steamships vessels?

**Mr. Chevrier:** I think they will be.

**Mr. Green:** Is it a fact that the Canadian deep-sea fleet will be the smallest that it has been in 35 years?

**Mr. Chevrier:** I am not able to say. I would have to go back to the figures I had on the original debate. In the post-war periods I think it has been at a low level compared with war periods. But having regard to other countries, the comparison is good. When one considers that we will be able to call on the ships that have been transferred—some 91 ships or more to the United Kingdom—under the NATO plan whereby ships are to be pooled, and having regard to the circumstances in this peacetime situation in which we find ourselves, I cannot say that the position is detrimental.

**Mr. Green:** That is a statement which hardly reflects the actual condition, I am afraid. However, have any of these ships which have been transferred to the United Kingdom registry been modernized or is there any arrangement or plan under way for changing those vessels to modern cargo vessels?

**Mr. Chevrier:** I am informed that there is a new cargo vessel now building in the United Kingdom for a Canadian owner and that two others are in contemplation. These will add three ships to the merchant fleet.

**Mr. Green:** Will they be under United Kingdom registry?

**Mr. Chevrier:** They will be under the Canadian flag.

**Mr. Green:** Are they replacing ships which have been transferred to United Kingdom registry or are they new ships for Canada?

**Mr. Chevrier:** They are new ships.

**Mr. Green:** No attempt whatsoever is being made to convert the ships which have gone to United Kingdom registry into modern cargo vessels?

**Mr. Chevrier:** There have been some applications. There is one application that I can think of that is under consideration but it has not been dealt with definitely yet.

**Mr. Green:** Has the government made any change whatever in its policy with regard to the merchant marine since the statement of the minister on November 12 last year? At that time he set out the policy. Under that policy as announced there has been no improvement in the situation of which I am aware. From the minister's answers today it is perfectly obvious that the Canadian deep-sea cargo fleet has been liquidated. As he says, we have three or perhaps four old, 10,000-ton wartime freighters. So far the result of this policy has been nil having regard to Canada's procuring a modern deep-sea fleet. I think that is one of the greatest tragedies in the post-war period. The minister tries to compare our position with that

of other nations. But the fact is that Switzerland is going to have a much greater merchant navy than Canada. That fact just shows how ridiculous the situation is. Is the government making any change in the plan, or is the same old situation to exist?

**Mr. Chevrier:** I would rather put it this way: There has been no change since the later of the two statements.

**Mr. Green:** What was that?

**Mr. Chevrier:** Since the later of the two statements I made in the House of Commons. My hon. friend asks if there has been any change since my statement in November. I made another statement. My hon. friend has made several speeches to which I have had to reply, the latest of which was on the first item of these estimates. I can say this. There has been no change since that time, and the position remains as it was when I made that intervention. I think it would be some three weeks ago; it might be a little bit less or it might be a little bit more. I then gave the reasons for the decision. I hope my hon. friend will not invite me to go into the whole policy again. It has been put on record twice. I have given him frank answers to the questions he put. There is no change in the policy. That is all I can say other than this, as I emphasized the last time I spoke: The matter is still under review. I cannot repeat now why it has been impossible to subsidize ships either from a capital standpoint or from an operational standpoint. However the position today is substantially what it was about three weeks ago.

**Mr. Green:** I have one other question. How would the minister propose to man any of these ships that were brought back from United Kingdom registry, now that the Canadian seamen have been dispersed to other jobs all over the country?

**Mr. Chevrier:** We have a million tons of other shipping—coastal and inland lakes shipping—that gives us the nucleus from which to get men.

**Mr. Green:** I do not want to prolong the discussion any further, Mr. Chairman. The minister knows exactly where we stand on this question. I hope the cabinet will give further consideration to this problem once the house has prorogued. By the time we come back next fall or after the new year I hope there will have been adopted or worked out a policy which will bring about the objective placed before the government by its own maritime commission several years ago, namely, that Canada would have a deep-sea merchant fleet containing a nucleus of modern, fast, cargo vessels. I am afraid it is too late. I am afraid that the die has been cast and the situation cannot be remedied. Perhaps the minister is right that consideration even at this late date would prevent this tragedy occurring, and I do hope he will give the whole question further consideration.

**Mr. Pearkes:** Have we any oil tankers sailing under the Canadian flag other than those of the Royal Canadian Navy?

**Mr. Chevrier:** Yes, we have eleven.

**Mr. Herridge:** I think this is the appropriate item for me to ask this question. As the minister knows, since the C.P.R. discontinued the steamer service on the Arrow lakes—

**Mr. Chevrier:** That comes under the next item, the subvention item.

**Mr. Herridge:** Oh, I am very hopeful.

Item agreed to.

*504. Steamship subventions for coastal services, as detailed in the estimates, $4,147,725.*

**Mr. Herridge:** As the minister knows, since the Canadian Pacific Railway Company discontinued the steamer service on the Arrow lakes the residents of the upper Arrow lakes have been without any form of commercial water transport and have suffered great inconvenience. However the flame of hope has been kept alive in their breasts owing to periodic announcements by the minister of public works of British Columbia and certain press statements that negotiations are proceeding with the minister's department or the maritime commission with respect to a subsidy or a joint subsidy. Can the minister inform the house what has happened in connection with that application?

**Mr. Chevrier:** Yes. I have been in communication with the minister of public works of the province of British Columbia who is arranging for an application for a subsidy on the Arrow lakes. The matter is now before the maritime commission for study.

**Mr. Herridge:** Thank you.

**Mr. Fulton:** I regret to say that owing to the decision of the house with respect to the last redistribution bill the area about which the hon. member for Kootenay West speaks is no longer in my constituency, but I should like to say a word. There is, I think, no more romantic or scenic area in the whole Dominion of Canada than the Arrow lakes.

**Mr. Pickersgill:** Come down to Bonavista.

**Mrs. Fairclough:** Bring your sou'wester.

**Mr. Nowlan:** So speaks the old salt.

**Mr. Fulton:** Of course I am sure that the area represented by the minister who has just spoken is scenic, but unfortunately it is fogbound for one half of the year and icebound for the other half, which seems to me to have dictated the state of mind of the Secretary of State.

**Mr. Macdonnell:** There is more than one kind of fog.

**Mr. Fulton:** I was speaking of an area of Canada which is neither fogbound nor icebound. I am not going to keep the committee for long, but I want to say that in the first place I cannot understand the apparent lack of interest taken in this area by the Canadian Pacific Railway. It is one of the pioneer districts in the province of British Columbia, particularly in the interior, and I cannot help but think that if the Canadian Pacific Railway had been a little more aggressive in their requests to the federal government we might have had a subsidy for the continuation of the steamer service on the Arrow lakes. Whatever the decision may be on the merits of the application, it is one of the most scenic tourist areas of the whole province and of the whole dominion. It is not only one of the most scenic areas, it is one of the oldest routes of communication between the prairie provinces and the Pacific coast.

**Mr. Herridge:** Since 1811.

**Mr. Fulton:** As the hon. member for Kootenay West points out, since 1811. Whether it is because of lack of interest on the part of the Canadian Pacific Railway or lack of understanding on the part of the federal Department of Transport I do not know. I do not care to assess the responsibility, but it seems to me that it is the greatest pity—

**Mr. Chevrier:** In view of what my hon. friend said a moment ago, surely it cannot be lack of interest in the Department of Transport.

**Mr. Fulton:** Then what the minister is indicating is that the Canadian Pacific Railway has not pursued actively enough its request for a subsidy.

**Mr. Chevrier:** I was not indicating that at all.

**Mr. Fulton:** Then I wish the minister would indicate exactly what he does mean. As I say, I am not prepared to assess the responsibility. I speak only from the point of view of one from the interior of the province of British Columbia. Shortly there is to be a conducted tour, if I may call it that, of members of parliament and their wives to the province of British Columbia, and I regret exceedingly that they are not going to go down from Revelstoke through the Arrow lakes to the constituency of the hon. member for Kootenay West and from there back up through the Okanagan to Kamloops and on down to Vancouver.

I simply want to support the request made by the hon. member for Kootenay West for consideration by the federal Department of Transport of an adequate subsidy to enable the company to continue its service on the Arrow lakes which has been one of the pioneer routes through British Columbia and has been in continuous operation since 1898. From the point of view of both tourist and commercial activities, it would be a great pity if the service were to be permanently discontinued.

**Mr. MacLean:** Can the minister tell the committee what success has been achieved in the discussions respecting the reducing of congestion on the subsidized route between Wood Island, Prince Edward Island, and Caribou, Nova Scotia. I realize that a new boat is being built, but I am thinking of the immediate problem for this summer and next summer until the new boat is put into service.

**Mr. Chevrier:** There have been a number of discussions between officials of the company, Northumberland Ferries, the government of Prince Edward Island and the maritime commission. A number of suggestions have been made to meet the increased traffic during the course of the present season. One of the first suggestions made was a very excellent one which the commission was prepared to accept but on proceeding further it was found that some of the conditions could not be met by the applicant. I hesitate to go into the details because they concern a private financial undertaking on the part of Northumberland Ferries. However, I believe the matter is being given additional study by the commission now.

**Mr. MacLean:** Can the minister state what company receives the subvention and provides the service between Pictou, Charlottetown and the Magdalen islands which is listed in the details, and what is the frequency of the service?

**Mr. Chevrier:** The Magdalen Islands Transportation Company.

**Mr. Pearkes:** It is with fear and trembling that I ask what is the reason for the reduction of $100,000 under western local services. Surely that would have nothing to do with the service on the west coast of Vancouver island, would it?

**Mr. Chevrier:** The reduction concerns the Canadian Pacific Steamships subsidy and was brought about because the ship was withdrawn.

**Mr. Pearkes:** Yes, but if a subsidy were provided might they not be able to find another ship? The situation on the west coast of Vancouver island is serious. There are many places you cannot reach by road. These people have been there for nearly a century now and they have had to depend entirely on the steamship service. For instance, I have in my constituency quite a flourishing fishing and logging village, Port Renfrew. The people there are dependent upon their mail and all their freight coming in by the steamship service. Unless they are able to use the facilities of the private logging companies they are dependent upon the steamship service going up the west coast.

This is a very serious situation for these people who have been in here for many, many years. There is an area which, potentially, could be of tremendous economic value. Not only are there the logging camps, the fishing camps, but there is also a considerable amount of mining farther up the west coast of Vancouver island.

Is it not possible to provide some form of assistance which would make it possible for some other company to operate the service if the Canadian Pacific has not a vessel now? I know the vessel they had was worn out and was not considered safe for the exposed passage, because you get the full sweep of the Pacific ocean up against those shores. You cannot put on any little lake steamer. There are these thriving communities all up the coast of Vancouver island, and I wonder what these people are going to do.

**Mr. Chevrier:** I do not know whether my hon. friend understood me or if I did not make my position clear. This $100,000 subsidy was not turned down. I hope there is no misunderstanding as to that. If some other company will make an application for service, I am sure the maritime commission will be glad to give it consideration. Since the withdrawal of the particular ship and the contract which operated between the maritime commission and the Canadian Pacific there has been no further application. I can suggest this to my hon. friend. If the Canadian Pacific will make application for another ship or some other company interested in the area would make application, I am sure the commission would be glad to consider it.

**Mr. Pearkes:** Thank you very much; the door is not closed to another company?

**Mr. Chevrier:** Certainly not.

**Mr. Matheson:** I want to ask a question concerning the Wood Island-Caribou service. Following the breakdown of negotiations between the company and the maritime commission, I understand that the commission was looking into the possibility of buying the *Lady Alexandra* on the west coast, so that additional service could be put into operation this year. I am wondering if that has been abandoned or whether that is still a possibility?

**Mr. Chevrier:** I am sorry that I cannot add to what I have already indicated, namely, that we have been in communication and negotiation with both the Northumberland Ferries Limited and the members of the Prince Edward Island government in connection with additional facilities and in connection with the operation of the new ship. Those negotiations are still continuing.

**Mr. Matheson:** I take it that that would mean there is still some possibility of extra service being provided before the new boat is completed?

**Mr. Chevrier:** I hope so, but I am not in a position to say so now because I do not know where the negotiations stand.

Item agreed to.

National harbours board—

*505.* Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on any or all of the following accounts:

Reconstruction and capital expenditures—Halifax, $989,500; Saint John, $1,815,000; Quebec, $1,365,000; Churchill, $900,000; generally unforeseen and miscellaneous, $200,000; total, $5,269,500.

Less—Amount to be expended from replacement funds, $387,000; $4,882,500.

**Mr. Green:** This is the first item for the national harbours board, and I wish the minister would explain to the committee what course is followed by this board when it gives consideration to the necessity for new buildings in the harbours. For example, this spring we have had the position stated by the Minister of Trade and Commerce that because Vancouver harbour is unable to handle any more wheat the price of wheat at Fort William had to be cut lower than the price at Vancouver. Of course, this is a sore point

on the west coast, and we will deal with it under the estimates of the Minister of Trade and Commerce. Has the national harbours board given any consideration to the need for further elevator accommodation at the port of Vancouver? Surely it is their responsibility to see that the facilities in these ports are adequate to meet conditions from time to time. However, we have a statement from one of the ministers, and a senior minister, with regard to the capacity of Vancouver harbour to handle wheat.

It appears to me that there should be steps taken to increase the capacity at the port. We do not want to get into a position where wheat that should go through the west coast is being diverted through Fort William and Port Arthur, simply because Vancouver does not have adequate accommodation. I should like to have the minister's comment on that situation. Then there is another point I want to raise in connection with Vancouver harbour.

**Mr. Chevrier:** With respect to the general policy of the board, the board has been giving consideration to the acute situation in the elevators under its jurisdiction for the past two years, and I would say quite actively during the last year. It has, because of the position it found in Montreal, Halifax, and Churchill, been able to recommend extensions there.

In Vancouver my hon. friend will remember the national harbours board were in a very embarrassing position at one time, and that not so long ago, when there were two leased elevators on which the leases expired and which the lessee did not see fit to renew. The national harbours board had to advertise, and it was some time before they could get someone to renew this lease. The position was so bad that they even had to advertise in the United States, with the result they succeeded in getting United States interests to take over both the elevators in question. I am informed by the board that there has been delivered and moved out of Vancouver more wheat this year than ever before. In fact I think the record will indicate there has been twice as much.

**Mr. Green:** No, the minister had better check that. The last word I had was that it did not even equal last year.

**Mr. Chevrier:** I am informed that compared with the corresponding period last year there has been twice as much wheat moved through the elevators at Vancouver; that is the information I have.

Now, with regard to the additional facilities, they are under constant review. If the national harbours board, which is a government agency and not a departmental agency, wants to make recommendations for additional facilities and extensions, they will be considered in the same manner as extensions at other places.

**Mr. Green:** In the vote there is $989,500 for capital expenditures at Halifax, and an additional $550,000 in the supplementaries; $1,815,000 for Saint John and an additional $350,000 in the supplementary estimates; $1,365,000 for Quebec and $900,000 for Churchill as well as $200,000 for unforeseen expenditures. This situation is serious. The government itself said that the port is operating practically to capacity, so far as the shipment of wheat is concerned. I cannot understand why the national harbours board has not taken some steps to meet that situation. We are the port farthest removed from Ottawa and, incidentally, the port through which pass by far the greatest number of ships. There is no reason why the national harbours board should not be right up to the minute on this situation. It is not good enough to say that because two or three years ago they had to lease an elevator to an American company there is no need today for further elevator space.

I do not begrudge expenditures appearing in the estimates in connection with other ports. However I would ask the government whether it has under consideration the possibility of extending the facilities at the port of Vancouver for the handling of wheat.

**Mr. MacInnis:** Mr. Chairman, before the minister replies may I say that this is an important point, provided that there is in Vancouver a demand for additional facilities. If those who administer the port at Vancouver have made a request for additional facilities I would like to know why there is no item in the estimates to provide them with those facilities. If they have not made a request then I take it they must feel that the facilities at the port of Vancouver which, as the hon. member for Vancouver-Quadra has said, is the busiest all-year-round port in Canada, are sufficient to provide for the traffic there.

I would not care to associate myself with a demand for further or greater expenditures of money at the port of Vancouver by the harbour commissioners there just because a considerable amount of money has been spent in other harbours across Canada. But if the harbour commissioners at Vancouver have indicated to the minister that there is a need for further facilities at that port to

take care of the traffic, then I would insist that Vancouver receive equal consideration with those other ports.

**Mr. Chevrier:** May I say in answer to the hon. member for Vancouver-Quadra and the hon. member for Vancouver-Kingsway that I should like to confirm what I said earlier about the movement of wheat through Vancouver. Up to the end of May of this year it was 49,442,017 bushels as compared with 26,113,000 up to the end of May of last year.

**Mr. Green:** But the record for a year is over 100,000,000 bushels.

**Mr. Chevrier:** So that is about twice as much, up to now. Then dealing with facilities: I am sure my hon. friend would not want to have additional facilities there if they were not required. I thought the hon. member for Vancouver-Kingsway put it pretty clearly. The national harbours board think there are sufficient facilities for grain handling at Vancouver. As a matter of fact there are facilities to move 18,716,000 bushels of grain.

**Mr. Green:** Where?

**Mr. Chevrier:** At Vancouver.

**Mr. Green:** In what period?

**Mr. Chevrier:** That is the capacity of the elevators, as compared with the 15 million bushels at Montreal. So the board feel that with the facilities now owned by private enterprise there is sufficient to meet the demand. If the time arrives when the facilities are not adequate we will build extensions to the present elevators.

**Mr. Green:** Then I understand the board is making no recommendation whatever for any increase in grain handling facilities at Vancouver; is that right?

**Mr. Chevrier:** There has been no recommendation made to me for that purpose.

**Mr. Green:** Has any consideration been given by the government to the setting up of advisory councils in any of these national harbours, for instance at Vancouver? I think there was a recommendation of that kind contained in the report of Sir Alexander Gibb back in the early thirties, when he investigated the situation in all the national ports in Canada. Here is a good example where there would be benefit from having some local council advising the national harbours board.

The present situation is that you have three commissioners sitting here in Ottawa, 2,500 miles away; and I do not believe there is any representative from the west coast on that board. It would be far more beneficial to the port if there were some local committee able to advise. As I have said, Sir Alexander Gibb did make a recommendation along that line. I believe his suggestion was that there should be representatives of the city government, the shipping interests, labour unions and the like. Has any consideration been given by the government to a council of that kind at Vancouver?

**Mr. Chevrier:** The answer is no, because that is one of the recommendations of Sir Alexander Gibb that the government did not accept. There were many it did accept, but that is one it did not see fit to implement. There are many reasons, which I have put on the record from time to time, as to why the government did not feel it was advisable.

I can say that in the port of Halifax they felt rather strongly about that recommendation at one time. They have abandoned their plea for it, and have adopted a port club known as the port of Halifax club. I am told that it is properly known as the port of Halifax commission. That commission is composed of a group of local people who are interested in the port and who communicate with the national harbours board from time to time. As the hon. member knows, the national harbours board is a body which visits each of the harbours from time to time and meets these commissions. It meets a similar group in the city of Quebec. If other groups in Vancouver feel they would like to do the same thing, I am sure the national harbours board would meet them. But it was found inadvisable to accept the recommendation of the Gibb report.

**Mr. Green:** I have one further question. Within the last few days a large quantity of crude oil has been pumped into Vancouver harbour through a mistake made by an employee of the Imperial Oil Limited, as a result of which 18 miles of the waterfront have been affected. A newspaper dispatch of June 11 states that—

> —4,000 barrels of heavy oil spilled into the inlet from Ioco refinery May 28.

Now Imperial Oil is busy having it cleaned up. The dispatch continues:

> Vancouver's biggest, most expensive spring cleaning job—removal of oil from Burrard inlet beaches —will cost thousands of dollars and will take weeks or months to complete.

What is the position of the national harbours board in a case of this kind? Have they had any report about this condition? This is the case of a company contaminating these beaches. Here is a case of a company contaminating those beaches and causing thousands of dollars worth of damage in

addition to all kinds of inconvenience. The national harbours board has ample power to deal with a situation of this kind. In fact the board members were not satisfied with the power they had before. They got a lot more this session, when they had the harbours board bill amended, as hon. members know. What steps, if any, is the national harbours board taking with regard to this action of the Imperial Oil?

**Mr. Chevrier:** The chairman of the national harbours board informs me that as soon as he had been advised of the pollution of the waters in Vancouver harbour by this oil he asked for a complete report. He has received only an interim report and is awaiting a final report. Since then, I am informed—I cannot verify this statement—the Imperial Oil has succeeded in doing away with a substantial portion of the oil.

**Mr. Green:** They have now turned off the tap that was turned on before.

**Mr. Chevrier:** However, the national harbours board are pretty seriously concerned about it because it affects their interests in the harbour, and until there is a complete report I am afraid it would be difficult for me to add anything.

**Mr. Green:** In a case of this kind do they instigate prosecutions, or what steps do they take to see that this sort of thing does not happen again? Similar cases have happened before, but I do not remember anything quite as bad as this. There is no reason at all why actions like these should occur. The harbours board should have sufficient supervision of the harbour to see that it is prevented. Are they going to prosecute the company or is it just going to be a case of, oh, let the Imperial Oil clean up the beaches as best they can and the thousands of people affected can make the best of a bad job?

**Mr. Chevrier:** They have complete control, and there is provision under the act for action to be taken by the national harbours board, but I am sure the hon. member would not expect the board to move by way of action until they have the complete details.

**Mr. Green:** I do not expect them to move very fast, I admit that.

**Mr. Nicholson:** The hon. member for Kamloops has reminded us that before the estimates are up next year the minister might have another assignment. If this should happen he will have the best wishes of all his colleagues in this house. Before this item carries I should like to express my personal appreciation to the minister for the sympathetic consideration he has given to the port of Churchill and the needs of this northern route. Can he at this stage indicate when navigation is likely to open in Churchill, and whether any cargoes have been booked at this date for the shipment of grain through Churchill?

**Mr. Chevrier:** I am informed that the navigation season will open on July 26 and extend to about October 10. It is expected there will be as many, if not more, ships this year than last year.

**Mr. Fulton:** Does the minister control the ice?

**Mr. Nowlan:** Can the minister give us a break-down of the vote for the port of Halifax which is in the supplementary estimates, although we have not them before us? Can we have them both at the same time?

**Mr. Chevrier:** The main estimates are for the reconstruction of the lower apron of the ocean wall, berths 20, 21 and 22, $65,000; enlargement of the cold storage warehouse, $200,000; replacement of wooden gallery, in steel, $200,000; grain elevator extension, $450,000.

**Mr. Nowlan:** I realize that the minister said the other day that at some time he or the Prime Minister hoped to be in a position to make a statement dealing with various things affecting his department, and I take it that one of the matters that prompted that statement might be the St. Lawrence seaway and the development which would flow from that. Without anticipating that statement, I should like to ask the minister whether he can comment on what would be the position of harbours which now come under municipal or local boards but which later on will be within the ambit of the St. Lawrence seaway development. There are those who assume that those harbours will be of as great importance as, for instance, Halifax or Vancouver, which now come under the national harbours board. Take as an instance the city of Toronto, which has a municipal board. There are other harbours along that seaway which have various types of boards. The minister has given a great deal of consideration to this whole matter. I wonder what the government policy is with respect to the administration of those various harbours when that takes place.

**Mr. Chevrier:** It is impossible to answer the question because the St. Lawrence seaway has not been started, and it will be some years before it is completed. All I can say is that there are three heads under which harbours are divided, namely, those under the national harbours board, those under

municipal operation, municipal commissions and smaller harbours that are operated by the Department of Transport. It is impossible to foresee what will happen in the future. Take for instance the city of Toronto. If it got to the stage where they wanted to become a national harbour, they would have to apply for inclusion under the act; but that is a harbour which is exceptionally well operated, and would have every advantage in remaining under the jurisdiction that it now is. That could go for a number of other harbours on the St. Lawrence, but I would hesitate to make a statement. It is a difficult question that my hon. friend asks me to expound. I do not think I can go any farther at this stage.

**Mr. Bell:** Can the minister take a minute to tell us what is due for Saint John under their item? I should like also to hear whether the $1 million reduction from last year is in capital expenditure. I might take this opportunity also to say that while these were very fine pleas for the port of Vancouver and increased facilities for business, Saint John, and Halifax to a lesser degree, were the only two Canadian ports that had reductions in tonnage figures. While we have been given fair treatment by the harbours board, we must have every consideration in the matter of business and facilities.

**Mr. Chevrier:** The items for Saint John are the Pugsley terminal wharf extension, and sheds, $700,000; extension to berths 2 and 3, a little over $1 million. The items my hon. friend referred to have been reinstated in the supplementaries.

Item agreed to.

Air services—

Loans, investments and advances—

*543.* To provide for the acquisition of land required to control properties in the vicinity of main terminal airports in order to prevent the erection of hazards to flying, and for future development of those airports, $1,000,000.

**Mr. Green:** This vote appears for the first time. Will the minister explain how the money is to be spent, and why money for the development of airports is included in this vote rather than in some of the earlier votes for civil aviation?

**Mr. Chevrier:** This is a new vote, as the hon. member has said. The object of this vote is to provide for future expansion of the major airports, but more particularly for the airports of Malton, Dorval and Vancouver. In the last several years we have found in the vicinity of the major airports the necessity of taking more land than is really required because of the zoning requirement in those areas and because of the expansion required. The defence estimates were such in the last several years that it was impossible to get this vote, which we sought from time to time. Now, $1 million is just a beginning in that direction and it will take a great deal more to meet the needs of expansion around the major airports of Canada. However, we hope that in the next estimates there will be a greater amount than that.

**Mr. Green:** On what airports is this amount to be spent? What is the break-down?

**Mr. Chevrier:** There is no break-down. This is just a general amount for use when the time comes to expand but there has been no planned method in which the $1 million will be spent.

**Mr. Green:** Has the minister no idea of how much will be spent at, say, Dorval, how much at Malton, and how much at Vancouver airport?

**Mr. Chevrier:** The answer to that is no, because it has not yet been possible to zone all these airports, and neither has it been possible to plan for future airport expansion. Take, for example, Vancouver. Until we have possession of that airport, despite the fact that we have been pressed on a number of occasions as to our future plans, it is not possible to do anything. But when we have possession we will proceed. At Dorval the same thing can be said so far as zoning regulations are concerned. We have zoned one airport but we have not got around to zoning the others.

Item agreed to.

National harbours board—

Loans, investments and advances—

*544.* Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on any or all of the following accounts: reconstruction and capital expenditures—Three Rivers, $380,000; Montreal, $3,558,200; Vancouver, $376,000, total, $4,314,200.

*Less*—Amount to be expended from replacement funds, $175,580; $4,138,620.

**Mr. Green:** Can the minister explain this item?

**Mr. Chevrier:** At Three Rivers there is an expenditure of $380,000. For the transit sheds at Montreal there is an amount in the item covering sections 40, 41 and 42 of the wharf, amounting to $1,500,000, and the others are small items except for two car dumpers amounting to $820,000, while at Vancouver there is a rock well bulkhead, and dust control at No. 3 elevator at Granville amounting to $250,000.

Item agreed to.

**The Deputy Chairman:** We will go on to supplementary estimates item No. 764.

Railway and steamship services—
Loans, investments and advances—

764. Loan to the Canadian National (West Indies) Steamships, Limited, on such terms and conditions as the governor in council may approve, for the redemption of Canadian National (West Indies) Steamships, Limited, 25-year, 5 per cent, government guaranteed gold bonds, issued March 1, 1930, and maturing March 1, 1955, $3,600,000.

**Mr. Knowles:** Just one simple little question, Mr. Chairman. I notice there is reference here to government guaranteed gold bonds. What are gold bonds?

**Mr. Chevrier:** I think that is just a name. The Department of Finance is responsible for the manner in which this estimate is set up and I think it is just an attractive name given in order to encourage sales.

**Mr. Knowles:** The minister is not trying to put us back on the gold standard, is he?

**Mr. Chevrier:** No.

Item agreed to.

Air services—
Loans, investments and advances—

766. Loan to the Canadian Overseas Telecommunication Corporation in accordance with the provisions of section 14 of the Canadian Overseas Telecommunication Act for additions and betterments to facilities, $683,561.

**Mr. Green:** Will the minister explain why it is necessary for the government to grant this large sum to the Canadian Overseas Telecommunication Corporation?

**Mr. Chevrier:** Well, the Canadian Overseas Telecommunication Act provides for advances to the crown company from time to time for additions and betterments, and the sum of money provided here is for the expansion of the beam station in the Montreal area and the amount is $232,000. There are extensions at Vancouver stations, amounting to $269,000; at St. John's, Newfoundland, a new cable station amounting to $176,000; the Halifax station removal amounting to $29,860, and additions and betterments at a number of stations extending from Drummondville to Bamfield, B.C., which make up the entire vote. These are items provided for in the capital budget of the C.O.T.C. which was tabled in the house.

Item agreed to.

National harbours board—
Loans, investments and advances—

767. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on the following account: reconstruction and capital expenditures—Montreal—further amount required, $600,000.

**Mr. Green:** This item covers an additional $600,000 for the port of Montreal which makes a total of $4,158,200 for that port. Now, what is this additional $600,000 for?

**Mr. Chevrier:** This covers the construction of a shed at section 35 of one of the wharves to be used for coastal shipping. The Canadian shipping federation and the Montreal board of trade and chamber of commerce have made representations to the board over a period of years and it was felt that the time had arrived for the construction of these additional facilities and this is covered in this vote amounting to $600,000.

**Mr. Knowles:** Mr. Chairman, I believe that this is the last item of the minister's estimates and I would like to join with other hon. members who have expressed their good wishes to the minister just in case he is not back with us next session. In case he might be back I had better not say too much about him or he might quote it back at us, but whatever happens we all wish him well.

**Mr. Green:** I would like to join with other hon. members in extending my best wishes to the minister, but if he does come back here next session we will try to give him as much trouble as we can.

Item agreed to.

DEPARTMENT OF THE SECRETARY OF STATE

Public printing and stationery—

353. Departmental administration, $557,882.

**The Deputy Chairman:** Hon. members will find this item at page 50 and the details at page 426. Shall the item carry?

**Mr. Fulton:** Could the Secretary of State say when they expect to get into the new printing bureau?

**Mr. Pickersgill:** I am not the Minister of Public Works but I have a certain amount of curiosity and I asked the minister about this. He told me he thinks we should start moving in some time in October. Personally I am keeping my fingers crossed.

Item agreed to.

355. Printing and binding the annual statutes, $40,000.

**Mr. Fulton:** Mr. Chairman, I would like to know if there is any provision made here for the printing and binding of the Criminal Code of Canada which, we are told, is to go into force on January 1, 1955. What arrangements are being made for the circulation of this statute to magistrates, and particularly to the courts generally in Canada prior to the coming into force of the act?

**Mr. Pickersgill:** I understand in anticipation of the passing of this statute, which has not yet been given royal assent—I assume that it will be given in due course—the Department of Justice has been in touch with the queen's printer and he is very hopeful that, since the type is all set, except for certain small amendments which were made

recently, it should not take very many weeks to have copies available for distribution.

**Mr. Fulton:** I have a suggestion to make with regard to this particular item and I hope it will not result in increasing the estimate. I suggest that when the statute is printed and bound there be some reference in the marginal notes to the sections of the previous Criminal Code of which the new statutes are a consolidation. I just want to make that point because it seems to me it will be the major statute of this session and the one which will be of most interest to the people of Canada.

**Mr. Pickersgill:** I shall be glad to bring that suggestion to the attention of the queen's printer and the Department of Justice.

**Mr. Knowles:** Under this item having to do with the printing of statutes there is one very small point—in fact, it is just the omission of one letter—that I want to call to the attention of the Secretary of State. In doing this, perhaps I should say that one of the things of which I am extremely proud is the excellent job of printing that is done by my fellow workers over at the printing bureau. In no case is the work better or more accurately done than it is in connection with the printing of the statutes. In this connection the degree of accuracy is really something to commend. I wanted to say that so that the one small error which I have come across will not be taken as a mark of criticism.

It so happened that when the Revised Statutes of 1952 came into our possession, I took the trouble to look up certain of the statutes in which I was particularly interested. For example, there are a few places in the statutes where amendments which I have introduced in the house have been accepted in some form in due course. I wanted to make sure that the commissioners who revised the statutes had not omitted any of those important amendments. One of the statutes in connection with which I had the privilege of playing some part by way of amendment was the amendment to the British North America Act—the second one—in the year 1949. I refer to the amendment which we asked for in this parliament and to which Westminster agreed, on the basis of which we now have the right to amend the British North America Act here in Canada in respect of matters exclusively federal. As some hon. members will recall, the resolution seeking that amendment was moved by the Prime Minister. I had the privilege of moving an amendment to the Prime Minister's motion. The Minister of Justice moved a subamendment. In due course they all carried. However, on looking up the version of that amendment which appears at page 297 of volume VI of the Revised Statutes of Canada, 1952, I find that a very small error has been made. When you get down quite a way in section 1 you find that it reads as follows:

—or as regards the requirements that there shall be a session of the parliament of Canada at least one each year, and—

That word "one" should be "once". I checked our own *Hansard*. I checked our own *Votes and Proceedings*. In those cases it is shown correctly. Also, just to make sure of the matter, I checked chapter 81 of the statutes of the United Kingdom for the year 1949 and I find that they have it correctly. It is correct in every other place except at page 297 of volume VI of the Revised Statutes of Canada, 1952. Whenever there is a reprinting, I trust that small error will be corrected.

**Mr. Pickersgill:** These things do sometimes happen. I remember that in 1938 my attention was drawn to the reprinting of the British North America Act itself by the then king's printer. The section about the executive government being vested in the Queen's privy council had the word "council" left out of it, thus leaving a rather interesting result.

Item agreed to.

**The Deputy Chairman:** That completes the items under public printing and stationery. While I am entirely in the hands of the committee, I perhaps will take the liberty of pointing out at this stage that the next item is item No. 1, departmental administration, Department of the Secretary of State. If the minister has an opening statement, I suggest that we might perhaps now call it six o'clock as he could speak for only about two minutes and then would be interrupted.

**Mr. Fulton:** I see that the item is No. 417. I therefore agree with you, Mr. Chairman, that we should call it six o'clock.

**The Deputy Chairman:** Yes; it is item 417.

417. Departmental administration, $262,619.

**Mr. Pickersgill:** If I may, I should like to say just a word. I do not really think I have any opening statement to make. The Department of the Secretary of State is not a policy department. I thought I was simply here to answer questions about the department. I do not propose to take up the time of the committee with a statement.

**Mr. Fulton:** We have a certain number of questions to ask the Secretary of State who, we are quite certain, is enjoying his new experience. We should like to hear from him about his new experience. Therefore, Mr. Chairman, perhaps you will call it six o'clock.

**Mr. Pickersgill:** I hate to waste a minute.

**Mr. MacInnis:** I have a few remarks I should like to make on this item.

**Mr. Fulton:** So have I.

**Mr. MacInnis:** I shall not be long but I could not finish before six o'clock. I would therefore ask you, Mr. Chairman, to call it six o'clock.

**The Deputy Chairman:** Is it the pleasure of the committee that I call it six o'clock?

**Some hon. Members:** Agreed.

**Mr. Pickersgill:** On division.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at eight o'clock.

**Mr. Nowlan:** Mr. Chairman, with the permission of the hon. member for Kamloops, who ordinarily would speak first on these estimates, I should like to speak for a moment or two because unfortunately I have an appointment elsewhere which will take me out of the chamber in a very few moments. As this is the general item dealing with the administration of the Department of the Secretary of State, there is one matter that does not come directly within the estimates on which I should like to comment for a few moments. I refer to what in my opinion is the unfortunate situation now existing in so far as awards of recognition to Canadian civilian personnel are concerned. We have a situation in this country where those who have served the state—and I use "state" as a very general term—for many years, and whom one might think were entitled to some recognition, find that there is nothing in the gift of the government of Canada which can be given them by way of such recognition.

Some may remember that I raised this matter some time ago and gave the illustration of a lady who had worked on the piers in Halifax for a matter of some twenty or thirty years going back to the first war. She had served the soldiers going through the piers at that time with coffee, and continued on with immigrants during the twenties and thirties and into the forties. When she reached certainly a rather advanced age the department suggested that she was too old to do this. She never received a cent of salary and they employed someone else to do the work. It was suggested that possibly some little award of recognition might be given her and I was told that no such thing was permitted. I do not think that is right.

We talk a great deal today, and properly so, of the development of the Canadian status. We take pride in the development of a Canadian nationalism. We hear talk about a Canadian flag and all these other things which go towards the national development of Canada. Yet we find that on a national basis we have no way by which we can give recognition to those who have served the state, using the word in a very general way. If one has achieved prominence in the academic world, the industrial world or the world of politics, universities will give recognition. We have sitting in this chamber those who have achieved awards of doctor's degrees, and they have been earned. Even in the churches there are titles which are conferred. I understand there is an order of knighthood in one of the great churches of this country.

There was a time when we did give awards, and I want to make it very plain that I am not now suggesting for a moment anything of a hereditary nature. We are not talking about peerages or anything of that kind. Any awards given will have to be won by the individual himself, must be worn by the individual and must die with the individual. I am not suggesting even an order of knighthood although personally—

**Mr. Fulton:** Or even a crystal ball.

**Mr. Nowlan:** Or even a crystal ball, as my hon. friend says. I would not be averse to seeing the knighthood title "Sir" bestowed in certain cases. I remember that a former chief justice of Nova Scotia who died not long ago carried that title with dignity and respect and won the approbation not only of the bar but of the province as a whole. But I want to make it plain that I am not discussing anything of a hereditary nature or even the restoration of such orders, but I do say that I think the time has come when we should restore some of the orders that have been within the gift of the government before and which I find have now apparently been done away with.

I am quite sure the Secretary of State will say: Far be it from me to be vested with the responsibility of making recommendations in such a matter. I know it would not be easy to decide. Undoubtedly there would be newspapers which would say that these were political awards, that it was a terrible thing and that it should not be left to politicians

to make such recommendations. That may be a fair criticism but I would say that after all the antennae of politicians are fairly well tuned to the public current and public opinion, and I am quite sure that no recommendations would be made to the Secretary of State, whoever he might be, which did not meet with the approval of the people within the constituency concerned.

Personally, having played a little bit of politics for more years than I like to remember, the only thing I have ever got out of a federal government, Liberal or Conservative, is the satisfaction I got in the thirties of recommending a man who had given over forty years to the Boy Scout movement and who certainly made an impression on my life as he did on all the boys within that community. I suggested to a certain person that his name might be considered for the O.B.E. That recommendation was considered and ultimately he received the award. I know that it was one which certainly met with the approval not only of the people of the community but of the whole province.

It is something like that that I have in mind. As far as I know the great race to the south of us has no civilian awards whatsoever. I suppose that is part of their traditions. When they broke with the crown at the time of the American revolutionary war they resented any suggestion of preferment and apparently the tradition was established that no such awards would be given. But, without speaking at all critically, when one sees the number of Kentucky colonels, shall we say, created in that country from year to year and realizes that anyone who is elected to office, even that of justice of the peace, bears the title "honourable" for the rest of his life, I think he can say that even there there is a desire to have some recognition of some kind.

I have checked the situation in the commonwealth countries. We know of course that in Great Britain a multitude of titles and preferments can be created. I am not speaking now of the peerage or knighthood. There are some very select ones such as Companion of Honour, Order of Merit and others that are given to the individual, and there are also the orders of the British Empire, the C.B.E., O.B.E. and M.B.E. The same applies in Australia and New Zealand. In those countries they have a civilian list and a military list. In Canada we had a civilian list and a military list, and up until some time after 1935 civilian awards were made. Then they were discontinued.

During the last war many civilian awards of the British Empire were made on the rather farfetched assumption, I think, that the people concerned were making some contribution to the war effort. I know some friends of mine received awards. They certainly deserved them, but if you are going to apply the yardstick of the war effort I would suggest that everyone who was not in jail or a saboteur was probably contributing something to the war effort. If you made awards on that basis you would have a fairly liberal list from which to choose.

This practice was discontinued shortly after the war, and when I took up the matter of this lady whom I mentioned earlier with the Secretary of State I found rather to my surprise that orders of the British Empire of the various ranks were reserved entirely for the military. I have no objection whatsoever to these awards being given to those in the armed services. I think it is perfectly fitting they should receive them.

But I do suggest this. If it is found desirable, and apparently it has been, to confer upon those in the employ of the state these various awards from time to time, then there is all the more reason why they should be conferred upon those who are not in the employ of the state. Certainly in Great Britain, and I believe in Australia and New Zealand, there is a civilian list. I am not sure of the seniority of the titles, but there is the O.B.E., the M.B.E. and C.B.E. I should like, sir, to see that civilian list restored in Canada, so that certain recognition could be given.

I am not overlooking the fact that we have the George Medal which is, I understand, an award given to civilians rendering acts of valour. For instance, if a farmer pulls someone out of a burning aeroplane or somebody rescues a person from drowning, then the George Medal is a fit and proper award and one which we recognize should be given. But it is given only for valour. I am not overlooking the fact that I have heard —I am sure the Secretary of State has much greater knowledge of this than I have—that there is such an order as the Canada Medal. I must say that is a rather forbidding and awesome sounding title, a rather metallic sound. It is reminiscent of the prize a farmer gets for exhibiting a bull at a fair. I believe we could have chosen a better title.

Nevertheless, I understand that at one time, and the Secretary of State is probably conversant with this in another role, we did establish something called the Canada Medal. I have heard from someone who was supposed to be well informed that there was a time when the government of Canada was confronted with a list of those to whom the Canada Medal might have been awarded. The

ones responsible for the government of Canada said, "enough". The list was never considered and no promulgations were ever made. Even if the lists for the Canada Medal were promulgated, I believe it would serve the purpose I have in mind.

I do not intend to take the time of the committee in making further mention of this matter. I speak of it because we have a new Secretary of State and one whom I know, because of his background, is conversant with the problem of this government in connection with the matters to which I am referring. I believe he, too, might feel that something of this nature could be done. I am urging that the time has come when action should be taken. We had it, then dropped it for various reasons and I am not going into those. There might have been a personal predeliction on one person's part, but I do say the time has come when we should re-establish those things.

**Mr. Pickersgill:** Perhaps in view of the fact the hon. member will have to leave us for another engagement I might say just a word, not about the principle of what he said because it is not for me to discuss that at all.

**Mr. Fulton:** Why?

**Mr. Pickersgill:** I am not the adviser of the crown in matters of this kind.

**Mr. Fulton:** You are the gentleman in charge.

**Mr. Pickersgill:** The Prime Minister has heard the hon. gentleman's remarks, and no doubt has taken note of them. There are a couple of things the hon. member said in the course of his remarks to which I thought I should refer so there will not be any misunderstanding.

The hon. gentleman, I know, did not have the slightest intention of misrepresenting the actual situation, but the actual situation is that these awards in the orders of chivalry—not those that carry a title, but those that do not—are not made to the armed forces generally but are made only to people who have served in an actual theatre of hostilities. There have been no such awards made since the period right after the end of the war for service in an actual war theatre, except for service in Korea. I believe the house and the country ought to understand that because I do not believe that it would be defensible at all to suggest that soldiers or airmen or sailors who served in Canada only should receive this distinction when civilians do not. Whatever may be thought about the wisdom of that distinction, that is the distinction that is made and not the one the hon. member suggested.

In so far as the Canada Medal is concerned, I understand, in fact I recollect rather distinctly that the approval of the sovereign was given to the institution of a Canada medal. I presume it may be said to exist *en principe* but in fact none of them has ever been awarded. It has never been my responsibility to consider this matter. It is not the responsibility of the Secretary of State to consider it.

**Mr. MacInnis:** I am going to say a few words about an altogether different matter, but perhaps I should say in passing that I hope we will not go any farther in the giving of titles or awards than we have gone already. Personally, I do not believe that they add to the distinction of the individual who receives them. Very few people know that you have the title, anyway, and that takes away some of the value of receiving it. I have no doubt that it would sound well, for instance if the Prime Minister were called Sir Louis St. Laurent. I think, however, the title he has now is one he would like much better and is probably one that becomes him even better, and that is "Uncle Louis".

**Mr. Fulton:** The Queen did not confer that one.

**Mr. MacInnis:** The people conferred it, and with all due regard to the Queen it is possibly a higher distinction.

**Mr. Fulton:** By some people, but not all.

**Mr. MacInnis:** Well, the rest did not demur, and I want to be included amongst the rest who did not.

What I am going to speak about, Mr. Chairman, is what I consider a great miscarriage of justice. I refer to the properties which were confiscated—I use that term but perhaps it is not the correct one—from persons of Japanese origin who were removed from the Pacific coast. I discuss it now for several reasons. I wrote several letters to the predecessor of the present Secretary of State without receiving much satisfaction in the matter. Earlier this session, with one of the property owners concerned and his legal representative, I had a talk about the matter with the minister. The proposals for a review of the case were turned down by the Secretary of State. He informed me to that effect, and I told him I did not agree. He was good enough to say that I could speak about it when the estimates of his

department were before the house; that is one reason why I am taking this opportunity.

I am speaking about it for another reason. I am not a university man, but I was at a special convocation of the University of British Columbia about two years ago, and amongst those present was the Prime Minister who received an honorary degree. The gentleman who made the address at that convocation was Sir John Morris. I think he is a judge of the appeal court in the United Kingdom. There were two sentences in his address which I noted at the time, and which have stuck with me since. He said:

> Surely there are few more satisfying experiences than to help set right an injustice. Injustice should be righted wherever, whenever and however it appears.

There are few people in Canada who would deny that there was an injustice done to these people. Not only was there the injustice of uprooting them from their homes and sending them all over the dominion but there was the injustice of a studied attempt to despoil them of their property.

As I said, no matter how long it is since that happened, I agree with Sir John Morris that injustice should be righted wherever, whenever and however it appears. And there is still another reason why I refer to this. When the event of the removal of these people from the Pacific coast took place we were at war with Japan. There is no denying that Japan was a treacherous and ruthless enemy, and that our people who were unfortunate enough to be taken prisoner or to be caught by the Japanese suffered keenly.

However we have made our peace with Japan. We have signed a peace treaty with her. We have made a soft peace with Japan. And I think that having made a soft peace with Japan we should be big enough and generous enough to make a soft peace with those of Japanese origin in this country, who committed no crime, who committed no treachery, and whose only fault was that they happened at a particular time to be in a particular place, and were of a particular racial origin.

That is my reason for taking up the time of the committee in referring to this matter tonight. The case I am going to refer to was probably the largest property involved in the evacuation. I am not taking up this case because it was the largest; there were hundreds of small properties where the lifework of whole families was lost. That is true of the individual about whom I now speak. He was a naturalized Canadian citizen, naturalized as long ago as 1909. The properties concerned were, among other things, two fairly extensive timber limits on Vancouver island. Like the other evacuees, he was given 48 hours notice to leave his property, to get ready and to be transported to some other place in Canada, in this instance the city of Toronto, where he finally landed.

He was not allowed to go back, of course, to look after his property. Yet he was held responsible for everything in connection with it. He was fined because he had not burned the slash, that is the debris left after felling of timber. He had to pay taxes on the property while it was going to ruin, with nobody looking after it. And in that case he was no different from the others.

**Mr. Fulton:** Where was this?

**Mr. MacInnis:** On Vancouver island. The firm was known as the Deep Bay Logging Company, and the chief shareholder and manager of the property was a person named Ekichi Kagetsu. One piece of property was known as block 195 in the Cowichan lake district on Vancouver island, which he claimed had a market value of $247,500. May I say that Mr. Justice Bird was appointed commissioner to set a value on these properties, and to adjudicate upon their value in 1948, six years after the people were removed. This man was then allowed to go back and prepare the records for his property, but he was given only a very short time to do this and most of the records had been lost. While the value he placed upon it was $247,500 it was sold by the custodian for the sum of $93,000.

The other property was another piece of timberland including 11 blocks of land with a certain amount of felled and cold decked timber, and a stand of immature timber, with some mature timber as well. Mr. Kagetsu put a value upon it of $292,039, and the custodian sold it for $40,000.

I mention this because I am going to show later on the value that was put on some other assets, and it will give hon. members an idea whether a proper price was received by the owners for this property in the sale. It was sold by tender in 1943, I believe, and the attempt at final price settlement was not made until 1948.

Mr. Justice Bird in setting the value took into consideration the amount of timber that was supposed to be on the land; but it is interesting to note that 70 per cent more timber has been cut on the Cowichan lake property, block 195, than the commissioner said was there in the first place. And they were still cutting a couple of years ago.

In the other case 100 per cent more timber was taken off the property than the commissioner said was on it, and they were still cutting on that property in 1951. And then again there was the immature timber which, if left in this man's possession, would have increased in value as the years went by. There were buildings on the property used as bunkhouses for the men working in the lumber camp. The buildings consisted of 20 family residences, 10 bunkhouses, a community hall, a new office and eight other buildings. These were camps. They were insured for $10,000. The commissioner put a value of $1,000 on these buildings. He said the reason that he put that value on them was that the buildings—bunkhouses for the lumber workers to sleep in, and the Kagetsu employees were persons of Japanese origin. The commissioner said that they would not be of any value to an occidental buying the property because the bunks would not be long enough for occidental loggers. It seems to me that that is an amazing way of putting a value on property that you are expropriating or that you are confiscating. Perhaps "confiscating" is not the correct word. It should be the value of the property to the owner, not what it would bring at a forced sale; it should be the value to the man who owned it and controlled it.

Then again there were some railways on the timber limit. There were 8½ miles of logging railway, if I remember correctly. Anyone who knows anything about building railways in British Columbia, through the terrain there, knows that it costs money. Not all of this line had rails laid on it, but what did not have rails laid on it had been graded so that a truck could drive over it. For this railway the commissioner allowed the sum of $1,000. If I remember correctly, the reason he gave for that was that the person who was buying the railway would not be using it. That again is an unusual way to put a value on something you are taking from someone and selling at a forced sale. Surely the criterion is the value to the man who owned it, the value it was really to him if he were allowed to use it in his own way for making a living.

No allowance was made for the forcible removal from the property. If that was done to any member of this house what would he think? What would you think of that as justice? You may say it was all done legally; that orders in council were passed and so on. Surely, meeting legal requirements is not meeting the ends of justice. I have before me a statement made by a very well known gentleman in this country who spoke to the Quebec bar association on January 5, 1953. He said this:

> Thus when you are studying present administration of justice or new methods of procedure you are helping your country to preserve, not only justice, but all the fundamental liberties that we have fought for, won and defend as essential to our way of life.

I suppose every hon. member would agree with that. Who said it? No less a person than the Prime Minister of Canada. It is said that the Minister of Justice was at the same meeting and also the solicitor general of the province of Quebec. I agree with the words of the Prime Minister. If what he said is true, then it is high time we reviewed the action we took in providing compensation for the property of people who were forcibly removed from the province of British Columbia and, let me say again, people who had committed no crime and who were never accused of any crime. I agree that it is a long time ago, but if we are going to take the words of Sir John Morris that I read before:

> Surely there are few more satisfying experiences than to help set right an injustice. Injustice should be righted wherever, whenever and however it appears—

—here is an injustice that, in my opinion, should be righted. In one of the letters I had from the former secretary of state he said that this property, the Kagetsu property, had not been profitable in the years prior to the evacuation; that is, in 1939, 1940, 1941 and 1942. That was true of a great many properties at that time. But lumbering was a very lucrative business in British Columbia from 1942 at least until quite recently. But again I say that that should not be considered in making a just award for this property. I have before me the report of an arbitration award in the matter of the Beauharnois shareholders in respect of property taken over by the government of the province of Quebec. This statement appeared in the Montreal *Gazette* of March 21, 1953. The arbitrators had this to say:

> We think it is pertinent also to refer to the fact that the Beauharnois undertaking was in 1944 emerging from its lean year—

Let us say that the Kagetsu business in 1942 was emerging from the lean years. I continue:

> —a process experienced by nearly every industrial undertaking. It takes time to build up a well-trained operating staff, to iron out operational problems and difficulties.

It is only after such things are done that the profits begin to come in and, as I said before, the same principle would apply in

regard to the Kagetsu property. I would urge the Secretary of State, in taking over his new office, to think of the high regard in which the matter of dispensing justice is held in this country. I hope that we do not only give lip service to justice when making speeches before bar associations or at university convocations, but that it is something we believe in every day of the week.

The minister is a new man, new in his office and new in the government, but there are people in Canada and I am sure people in the present government who I am quite satisfied agree that perhaps next to the expulsion of the Acadians this is the darkest stain on the escutcheon of Canada. I say this committee should give its approval to having someone review this entire matter. The review which was made by the commissioner who made the award in the first place is an altogether amazing way to appeal a case. I would like very much to have this case referred to the exchequer court, where such cases should be referred, and have this matter reviewed by the present president of that court. I would be most interested in what he would have to say.

**Mr. Philpott:** Is the hon. member suggesting that the procedure in this one particular case where the amount covered is $93,000 should be subjected to review, or does he mean all cases?

**Mr. MacInnis:** I would suggest that in all these cases where there has been an injustice there should be a review. I mention this case because I was consulted in connection with it, and first approached by a solicitor in Vancouver, then by Mr. Kagetsu, and I said—

**Mr. Philpott:** Did this man appeal his case to the court of appeal or a royal commission?

**Mr. MacInnis:** There was only one appeal in this case as far as I understand, though the Secretary of State may correct me if I am wrong. It was reviewed by the commissioner who set the value on the property in the first place, Mr. Justice Bird of the appeal court of British Columbia, and an appeal was later made to him for revision. He heard the case and made a small adjustment amounting to some $2,000 odd. But in my opinion the appeal should have been sent to some justice outside the province of British Columbia, and the proper court to which appeals should be referred is, in my opinion, the Exchequer Court of Canada.

**Mr. Herridge:** Mr. Chairman, I want wholeheartedly to support the plea addressed to the Secretary of State by the hon. member for Vancouver-Kingsway. I thought he dealt very well with the principles involved and supported them with facts. I had quite a lot to do with these Japanese-Canadians because during the war possibly a majority of them were in various villages and camps in my own constituency. As a matter of fact, on one occasion Mr. Austin Taylor, chairman of the commission, asked me to visit various mining camps with an assistant commissioner of the R.C.M.P. to see in what way they could utilize old hotels, disused houses and so on. In this regard I shall never forget a trick that gentleman taught me when it comes to stopping at hotels in mining communities. He said to me: "From my lifelong experience as a member of the R.C.M.P., I would advise you, Herridge, always to sleep in your underwear to avoid catching cold when you stop at a hotel in a small mining community."

These people lived in my constituency during the war in quite large numbers and I had an opportunity of meeting many of them. The longer they stayed in the district the more their good qualities were recognized and many of these people told me of their losses on account of evacuation in the way of homes, furniture, farms, equipment, boats and so on.

I am quite confident that a considerable number of people have been treated unjustly according to Canadian standards and some of the cases are almost tragic and heartbreaking. Many of these people spent the whole of their lives building up small estates which they had to leave and which were disposed of at fire sale prices. I am going to quote briefly from a brief I have here composed by the evacuation losses compensation committee in order to support the argument of the hon. member for Vancouver-Kingsway. This brief has this to say:

> For example, one claimant who owned timber limits can at this date prove that twice the volume of timber existed than was allowed by the commissioner. Unshakable B.C. government scale records of timber actually removed from his limits from the date of sale to the present, is weighty new evidence, not available in 1948 to the commissioner. The logging of these limits still continues. The under secretary of state has rejected this new evidence on the patently irrelevant grounds that the claimant's management was inefficient, which contention conflicts with the commissioner's findings. Factors such as closer utilization fail entirely to reconcile the wide disparity. But a review has been denied. $1.50 an acre for vast lands, $1,000 for 41 housing units are further examples of erroneous valuation by the commissioner.

I strongly support the plea made by the hon. member for Vancouver-Kingsway that this whole question be reviewed by a competent court with a view to giving these Canadian citizens the justice to which they are entitled.

**Mr. Pickersgill:** Mr. Chairman, first of all I wish to express my appreciation to the hon. member for Vancouver-Kingsway, who is an old friend of mine, for his courtesy in letting me know well in advance that he was going to bring up this matter. It is true that I received Mr. Kagetsu when the hon. member was present and I think I should tell the committee as nearly as I can recollect it what happened at that time.

The position I took was that I was not appointed to my present office to act as a court of appeal from decisions made by my predecessors or by Mr. Justice Bird, and that I would not attempt myself to assess the merits of a case which, I am only too ready to recognize, I am not competent to assess. I said, moreover, that I was not willing to go to my colleagues and ask them if they would permit a review of this one individual case, for I said I would not be a party to such an injustice; merely because Mr. Kagetsu was one of the largest claimants, and merely because he had greater facilities for bringing his claims repeatedly to the attention of the government, I said I would certainly not ask for a review of his case in isolation; all I would do was to go to my colleagues and ask them if they were prepared to have all the cases reviewed, because it seemed to me that the smallest claim had just as much right to justice as the largest one.

I told Mr. Kagetsu, in the hon. member's presence, and I am sure he will confirm this, that I did not think my colleagues would agree to such a review, but I said I would ask for it though I told them quite frankly why I did not think it would be granted. I said that the most competent person the government of the day felt it could select had been selected from the bench of the province of British Columbia to make a review of all these cases. That person had made an adjudication which I was sure was as objective and as dispassionate as any judge could make.

Whether he made mistakes or whether he did not make mistakes, I do not know. Of course all of us are human and all of us occasionally make mistakes. I do not yield to the hon. member for Vancouver-Kingsway in my passion for justice. But the only way in which justice can be rendered is by human beings who are liable to err. Judge Bird may have made some mistakes but he made as judicial and as dispassionate a consideration of these claims as I think anyone would be apt to make. I am not at all convinced—and neither were my colleagues—that to have them reviewed by another judge or by two or three judges would eliminate any, if there were any, or all, if there were a number, of the errors that Judge Bird may or may not have made. It seemed to me that it was just a question of whether the government had reasonable confidence that Judge Bird had done as good a job as could reasonably be expected to be done in all the circumstances. My colleagues had come to the conclusion, before I became a member of the government, that that was so and they were not prepared to change that view. I must say that in the light of all the circumstances I concur in that view.

**Mr. MacInnis:** May I ask the Secretary of State one question?

**Mr. Pickersgill:** Certainly.

**Mr. MacInnis:** Why did the government not apply to these cases the same methods that were applied, for instance, in expropriating one of the Booth properties in Ottawa or the Edwards property or the Perley property? Why did they not apply the same principle, put a value on the property and then if the person concerned was not satisfied with the value he could appeal to the exchequer court? Why was this sort of policy adopted: Here it has to go before the commissioner; you take it or you leave it.

**Mr. Pickersgill:** That is a question I would not attempt to answer.

**Mr. MacInnis:** There is no answer to it.

**Mr. Pickersgill:** I am no more capable of interpreting the minds of other people than is my hon. friend. I was not a member of the government when this decision was made. It was made by a government of which I was not a member and it is impossible for me to say why the government did one thing rather than another. It did a thing which I know was intended to be fair, which I believe was substantially fair, and which the government is not prepared now, at this late date, to change.

**Mr. Fulton:** The discussion of the estimates of the Secretary of State has got off on this subject of the awards made to the Japanese who were dispossessed of their property by order in council passed during the war, under which a judge of the appeal court of British Columbia was appointed to adjudicate as a commissioner. I think probably no more interesting and no more appropriate subject could have been chosen for the institution of the discussion of the estimates of the new Secretary of State of Canada.

At the outset I want to say that I feel that the action taken by the government of Canada with respect to the suspected disloyal activities of the Japanese on the Pacific coast was,

by and large, a proper and a fair action to take. As I understand it—I was not here at the time—it had the support of the majority of the citizens on the coast at that time. Therefore in so far as the Japanese being removed from their properties on the coast and sent to other areas of the country where they could not do any damage to the war effort is concerned, I have no criticism to offer of the government of the day.

But having said that I think it is essential that we should realize that now that the war is finished, now that we are in conflict with another ideology, namely that of communist Russia, we should be, so far as it is possible, above and beyond reproach. That is a difficult thing, but in so far as we can do it I think we should say to ourselves that where these men were dispossessed of valuable property to which they were at that time lawfully entitled we as a Christian and democratic state will restore them to the position in which they would have been had this unfortunate measure not been necessary. I doubt very much if there are many in this house or in the country who would disagree with me in that general statement of objectives. It therefore becomes necessary to review the measures taken to deal with this whole problem.

Tied up with this thing I think is the question of the claims of our own people for maltreatment suffered in the course of the war in the Far East. As it happens, this is also a matter under the jurisdiction of the Secretary of State. Here I find that Canadian citizens were subjected to the most unsatisfactory conditions of delay and hardship in respect of the recognition of their claims for war damage on that account. Our complaint against this government is twofold. First, our complaint is that the Japanese who are now Canadian citizens have not been given proper recognition of their just claims for their dispossession. In the second place—and I am even more concerned on this account—Canadian citizens who suffered damage and hardship, loss of physical health—in many cases men or women have claims on account of the death of their husbands or wives, on account of the death of the other party—as the result of Japanese internment in the Far East have not had their claims treated in accordance with their just deserts. On both these counts the Department of the Secretary of State stands indicted.

I have had some considerable lengthy correspondence with the predecessor of the Secretary of State and with the war claims commission operating under the aegis of his department and I have this to say. So far as I am aware, not one single case that I have taken up with the war claims commission has yet been settled. Although the war against the Japanese has been over now for nine years, not one single case of a claim for internment, death, loss of property or whatever may be the ground, has yet been settled. Although I fully support the hon. member for Vancouver-Kingsway in his contention that the Japanese who were dispossessed have not had full justice done to them with respect to the value of their property—I say that in all solemnity; I fully support him in what he has said—I think it is even more reprehensible that Canadians or the wives and widows of Canadians have not had full justice done to them under our war claims commission on the claims that they have with respect to death or internment or loss of property as a result of the war in the Far East.

Having said that, may I say that I hope the Secretary of State will not only take the matter under consideration—I hope he will do that—but will insist on some action. I know he is an energetic, young and vigorous man. Perhaps in that respect he is a little bit different from his predecessor who found it rather hard to stay awake in the House of Commons here.

**Some hon. Members:** Oh, oh.

**Mr. Sinclair:** Your talking would make anybody go to sleep.

**Mr. Pickersgill:** It sometimes is rather difficult to stay awake—

**Mr. Fulton:** Has the Minister of Fisheries some comment to make?

**Mr. Sinclair:** Yes, I have.

**Mr. Fulton:** Then will the minister get to his feet and make it?

**Mr. Sinclair:** Yes, I will. I would say that the hon. member for Kamloops would make anybody in this house go to sleep except himself, because he loves to hear himself speak.

**Mr. Fulton:** Of course, Mr. Chairman, the voice of anyone but the Minister of Fisheries would bore the Minister of Fisheries, as we all know from experience in this chamber. But I would say this to the Minister of Fisheries. If he can show me a single case before the war claims commission that has yet been satisfactorily dealt with, I shall be glad to hear it.

**Mr. McCann:** Thousands of them.

**Mr. Fulton:** Tell me one claim?

**Mr. McCann:** Thousands of them.

**Mr. Fulton:** Do not make those broad general statements. Tell me one claim.

**Mr. McCann:** We cannot both talk at once.

**Mr. Fulton:** We now have the Minister of National Revenue on his feet.

**Mr. Knowles:** At least you have everybody awake.

**Mr. Fulton:** It is the first time we have had the Minister of National Revenue on his feet.

**The Deputy Chairman:** Order.

**Mr. McCann:** Mr. Chairman, the hon. gentleman asked me a question.

**Some hon. Members:** Sit down.

**Mr. Pickersgill:** The chairman is standing.

**The Deputy Chairman:** I think perhaps now that the honours are about even—

**Mr. Sinclair:** The honour is not even, when the hon. member for Kamloops attacks an absent member, not the absent member for Dufferin-Simcoe but one who has now left the House of Commons.

**The Deputy Chairman:** Order. The committee will be quite satisfied if we return to the estimates of the Secretary of State. I would point out, as it is my duty to point out, that the hon. member for Kamloops has the floor at the moment and can be interrupted only with his consent or on a point of order or question of privilege. I think perhaps the committee as a whole will find that we will get along more satisfactorily if one member addresses the chair at a time.

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

**Mr. Fulton:** If I have interrupted the somnolence of hon. gentlemen opposite I apologize.

**Mr. Sinclair:** Mr. Chairman—

**The Deputy Chairman:** I do not think we will get any further by endeavouring to—

**Some hon. Members:** Sit down.

**Mr. Fulton:** I will sit down as soon as he sits down.

**The Deputy Chairman:** I do not think we will really get any further by having too many members on either side of the house assisting the chairman in his efforts to keep order. If the Minister of Fisheries has a question of privilege I will hear it.

**Mr. Sinclair:** My question of privilege is an unusual one.

**Mr. Fulton:** They usually are.

**Mr. Sinclair:** It is unusual because the chairman ordinarily does not intervene in a question between members that arises only because the hon. member has attacked one who is no longer here, as the hon. member for Kamloops attacked the former secretary of state. I at least attack the hon. member here in the house.

**Mr. Fulton:** Of course the hon. gentleman forgets that the former secretary of state is in the Senate and can reply. The hon. gentleman is not always distinguished by—

**Mr. Sinclair:** Mr. Chairman—

**Mr. Fulton:** Will the hon. gentleman resume his seat until I have finished? The hon. gentleman has not always been distinguished by attacking members who are present in their places in the House of Commons.

**Mr. Sinclair:** Name one.

**Mr. Fulton:** I am glad to have aroused the ire of the Minister of Fisheries whose usual custom it is to go around the country attacking people who are not able—

**An hon. Member:** Shame.

**Mr. Sinclair:** Name one.

**Mr. Pickersgill:** I suggest that the hon. member—

**Mr. Fulton:** —to answer in the House of Commons. I will be glad to answer him any time he cares to make an attack on me.

**An hon. Member:** This is a waste of time.

**Mr. Fulton:** Yes, because the attack is hardly worth answering. I quite agree.

**Mr. Sinclair:** That means you cannot name one.

**Mr. Fulton:** I do not quite understand what the hon. member means.

**Mr. Knowles:** What are we discussing?

**Mr. Fulton:** As far as I can make out, Mr. Chairman—

**Mr. McCann:** You are not making out.

**Mr. Fulton:** —the Minister of Fisheries is asserting his claim to be prime minister rather in advance because he is now seeking to take under his aegis all departments of government and to answer all attacks that may be made upon the government.

**Mr. Sinclair:** How silly can you get?

**Mr. Fulton:** Of course when answering the attacks of the Minister of Fisheries one has to descend to his level.

**Mr. Sinclair:** That would be very easy for you.

**Mr. Fulton:** However, I will leave it at that and return to the Secretary of State.

**Mr. McCann:** You will do better if you do.

**Mr. Sinclair:** An easier target.

**Some hon. Members:** Oh, oh.

**Mr. Fulton:** Mr. Chairman, I am usually a most moderate man. I do not like entering into these bear gardens, and if the Secretary of State wishes to rise on a question of privilege to reply to the gratuitous attack made upon him by his colleague, the Minister of Fisheries, I shall be glad to give him the floor.

**Mr. Pickersgill:** The Secretary of State has no desire to descend to the level of the hon. member for Kamloops.

**Mr. Fulton:** Of course the level—

**Some hon. Members:** Order.

**Mr. Fulton:** —of discussion to which the hon. member for Kamloops descended was that suggested by the Minister of Fisheries.

**Mr. Pickersgill:** The hon. member for Kamloops is very suggestible.

**Mr. Fulton:** Let us leave that there. I was suggesting that the Secretary of State, who incidentally is quite capable on his own account of setting his own level of discussion —and I shall have occasion to refer to that in a moment or two—might find it desirable to answer the criticisms with respect to the settlements made as to these dispossessed Japanese properties. I noticed that the Secretary of State, in his reply to the hon. member for Vancouver-Kingsway, suggested that merely because he is now in front of the curtain instead of behind it he disclaims responsibility for anything that was decided, discussed or settled by his predecessor in office. That is of course a principle which is quite inconsistent with the principles and precedents established by other governments, governments of which the minister himself is now a member.

**Mr. Sinclair:** Would the hon. member permit a question?

**Mr. Fulton:** I am always glad to permit a question by the Minister of Fisheries.

**Mr. Sinclair:** If that is the policy why does the present Conservative party dissociate itself from everything done by the Conservative party under R. B. Bennett?

**An hon. Member:** That is a smart question.

**Mr. Fulton:** The question, Mr. Chairman, carries with it its own answer. We do not dissociate ourselves from what was done before but the fact is that the government—

**Mr. Sinclair:** Fifteen years.

**Mr. Fulton:** —of which the Minister of Fisheries is a member appealed all that was done by R. B. Bennett to the Supreme Court of Canada and had it declared unconstitutional. We are not dissociating ourselves from what was done, but the hon. gentleman's party and the government of which he is a member—

**Mr. Pickersgill:** Mr. Chairman—

**Mr. Fulton:** —must assume responsibility for appealing all these measures to the Supreme Court of Canada and having them declared unconstitutional.

**Mr. Pickersgill:** Mr. Chairman, I am rising on a point of order.

**Mr. Sinclair:** I wonder—

**The Deputy Chairman:** Order.

**Mr. Pickersgill:** Mr. Chairman, if the hon. member for Kamloops—

**Mr. Fulton:** Wait a moment.

**The Deputy Chairman:** Order.

**Some hon. Members:** Sit down.

**Mr. Fulton:** Not until the Secretary of State sits down.

**Mr. Pickersgill:** I am raising a point of order.

**Mr. Fulton:** The chairman is on his feet.

**The Deputy Chairman:** Will both hon. gentlemen sit down? It is, I think, well known to all members of the house that when a member states that he is rising on a question of privilege—

**Mr. Pickersgill:** I said a point of order.

**The Deputy Chairman:** —he must be heard. It will be my responsibility to decide whether or not it is a question of privilege.

**Mr. Pickersgill:** Mr. Chairman, I do not think you heard me aright. I was rising on a point of order. I have no question of privilege. My point of order is that the estimates of the Secretary of State are now, as I understand it, before the committee, and that interesting as the dissertation by the hon. member for Kamloops on constitutional history may be at some other time—

**Mr. Fulton:** Who brought it up?

**Mr. Pickersgill:** —I think most members of the committee would like to get on with the estimates.

**Mr. Rowe:** That is no point of order. That is just your wish.

**Mr. Pickersgill:** Let the chairman decide.

**Mr. Fulton:** Tell your own colleague to shut up.

**The Deputy Chairman:** I do not think there is any question in the minds of hon. members that the point of order raised by the Secretary of State is well taken. I am going to ask the hon. member for Kamloops to come back to the estimates of the Department of the Secretary of State, and I am also going to ask all other hon. members, if they feel impelled to interject or to raise a question during the remarks of the hon. member for Kamloops, to also confine themselves to the estimates of the Secretary of State.

**Mr. Fulton:** No one could be more in accord with the ruling you have made, Mr. Chairman, than I am myself. Your Honour will recall and the members of the committee will recall that I had commenced by discussing the dispossession of certain Japanese of Canadian origin of their property, and had gone on from there to discuss the matter of the Canadian war claims commission, which is under the Secretary of State. At that point I was interrupted by the Minister of Fisheries, and having dealt with his interruptions in the manner in which the interruptions deserve, I shall return to the estimates of the Secretary of State.

Having pointed out to the house that the Secretary of State now that he is in front of the curtain disclaims responsibility for those things which were done when he was behind the curtain—

**Mr. Sinclair:** Above the curtain.

**Mr. Fulton:** All right—the Minister of Fisheries is quite right. He agrees that the Secretary of State was responsible when he was above the curtain for what was done by the government below the curtain.

**Mr. Pickersgill:** Mr. Chairman—

**Mr. Fulton:** Is the minister rising now on a point of order or a question of privilege?

**Mr. Pickersgill:** I am rising now on what I think is a proper question of privilege, and one with which I am sure the hon. member for Kamloops will be in complete agreement. I am quite prepared, and I was prepared when I entered this government, to accept responsibility for what this government has done. I accept fully my share of the responsibility for maintaining the position that the government has taken about this matter of Mr. Justice Bird's awards. But what I said was that I could not claim to have knowledge of what was in the minds of the people who made that decision. I did not say I was disclaiming responsibility. I am not disclaiming responsibility.

**Mr. Rowe:** That is not a point of order, that is a point of responsibility.

[Mr. Fulton.]

**Mr. Fulton:** I do not mind the Secretary of State giving the answers to my points on points of order if he prefers doing it that way rather than by replying in due course. The fact is that the Secretary of State has so far refused to review, now he is in front of the curtain, what was done when he was behind the curtain. I have no quarrel with that. I merely state it as a matter of fact. I do believe it is a position that denies the position taken by most democratic governments, and certainly it is a denial of the position taken by the government of which the hon. gentleman is now privileged to be a member. This government has never hesitated, under the well-known constitutional precedent, to accept responsibility for the decisions which were made by its predecessor, whether or not there happened to have been in the meantime a change of government. Every government which has come into office in Canada or Great Britain, every democratic government under our responsible system, has admitted responsibility for and has attempted to discharge the responsibility for the decisions and commitments entered into by its predecessors.

Therefore I do not think it is good enough for the Secretary of State to say that he does not know what may have been done or the motive that may have influenced his predecessor in office, and to state that he claims no responsibility therefor.

**Mr. Pickersgill:** I accept responsibility.

**Mr. Fulton:** That is not what the minister said before. He did not know what had been the motives of his predecessor, and therefore he did not care to discuss the decision made by his predecessor. The fact is, he is now Secretary of State of Canada. He has assumed responsibility and he has to answer to the House of Commons, to the Canadian people and to the citizens of Japanese origin who may have had injustice done to them.

**Mr. Pickersgill:** I am quite prepared to do it, too.

**Mr. Fulton:** We shall be very glad indeed to hear what the Secretary of State has to say about that. We shall be glad also to hear what the Secretary of State has to say with respect to the claims of Canadians of Anglo-Saxon and other origins who have been citizens of this country for long periods and who have received inadequate treatment by the commission for which he is responsible, namely, the war claims commission. In many cases, to my knowledge, these claims have not yet been finally adjudicated.

I say these things, Mr. Chairman, with some heat apparently. I think the heat was engendered by the interruptions of the Minister of Fisheries, who has now retreated from the house. The Minister of Fisheries has retreated to the position which the Secretary of State used to occupy. The Minister of Fisheries has gone behind the curtains, whereas the Secretary of State is now out in front of the curtains. I have never hesitated in my course—Dracula arises, Mr. Chairman! He seats himself again. Does the Minister of Fisheries wish to say something?

**Mr. Sinclair:** I have withdrawn from the front benches so that I would not hear the hon. member quite as loudly as I do on the front benches.

**Mr. Fulton:** I had not observed that the minister had yet been promoted to the front benches, but if the minister wishes to promote himself to the front bench, let him have his day of glory.

**Some hon. Members:** Order, order.

**Mr. Fulton:** I was dealing with the Secretary of State, and I wanted to get back to a basis of good fellowship and camaraderie which was established recently during the Easter recess by the Secretary of State himself.

I am a faithful subscriber, Mr. Chairman, to a newspaper which is distinguished by the title the Kamloops *Sentinel*. During the Easter recess the Secretary of State was out in my city and he gave an interview, apparently, to the press which was reported in the issue of April 23. It is a very interesting report indeed, and I should like to read it to the house. My friends to my left will be interested in this. The heading is "State Secretary Pickersgill claims Social Credit Impact Upon Ottawa 'Absolutely Nil'." The article reads:

The chubby, brilliant and somewhat aloof civil servant-turned-politician who many believe may be the next prime minister of Canada was in Kamloops today visiting relatives.

I can only suggest that those relatives, those who were the beneficiaries of his visit to Kamloops, maintain no delusions on that score.

Hon. J. W. Pickersgill, the dominion's forty-eight year old Secretary of State—

**Mr. Knowles:** He does not look it.

**Mr. Fulton:** We come to this later.

—was to pull out of the city tonight heading for Ottawa after a combined holiday and speaking tour that began at Victoria a day or so before Easter.

The rather boyish-looking and rotund Secretary of State talked of many things . . . of shoes and ships and sealing wax and cabbages and kings.

I am reading from the article, Mr. Chairman.

**Mr. Sinclair:** That will get you nowhere.

**Mr. Fulton:** The article continues:

He has an easy and informal manner, although with his proven record of scholarship, he leaves an impression that while he is speaking his mind is soaring away above such mundane matters as politics.

I may point out to the committee that this was written after the minister had come out in front of the curtain. The article continues under the heading "trade mark".

Conservatively dressed—

Well, of course, I should pause here to remark that the hon. gentleman has conservative antecedents.

. . . in a dark grey suit and with the habit of toying with his eyeglasses, Mr. Pickersgill must be a cartoonist's delight.

Of course, that reminds us of the cartoons during the last federal election in which the hon. gentleman was portrayed as claiming the origin and beneficence of having introduced the family allowance program.

**Mr. Sinclair:** The Tory party always objected to family allowances.

**Mr. Fulton:** That was a parentage which was strongly disputed by the Minister of National Health and Welfare.

**Mr. Sinclair:** The Tory party obstructed the marriage. Family allowances were a political pariah, according to the Tories. They had no share in it.

**Mr. Fulton:** The Tory party has—

**The Deputy Chairman:** Order. Perhaps I am more sorry than the rest of the committee that it becomes necessary for the chairman to interrupt so often this evening, during the discussion of this particular item. I rise at this time because I feel impelled to draw two matters to the attention of the committee. The first is that matters such as the responsibility for family allowances are not before the committee at the moment. The other matter causes me more difficulty. The estimates of the Secretary of State are before the committee at the moment. And the manner in which the Secretary of State and his officials conduct his department are also before the committee at the moment.

**Mr. Sinclair:** Excellent!

**The Deputy Chairman:** But there is a long citation in Beauchesne which states, in part:

The rule relating to personal reflections occurring in debate, may be stated thus, namely: That it is doubly disorderly for any member, in speaking, to digress from the question before the house and to attack any other member—

And so on.

I would suggest to the hon. member who has the floor at the moment—and I am sure he will agree—that there is a difference between discussing the administration of a department and discussing something which does not have to do with the minister's conduct in office or in the house, but his conduct elsewhere as an individual. I did not interrupt the hon. member when he began reading the article because I had no reason to believe that he might not be coming to something which dealt with the administration of the Department of the Secretary of State.

**Mr. Fulton:** I shall now.

**The Deputy Chairman:** So far he has not. I hope this will be the last time the hon. member will oblige me to insist upon asking him to restrain his remarks to the item before the committee. He knows as well as I do that he is unrestricted in his criticism of the Department of the Secretary of State, and I think he will be willing to remain within the limits of the rule.

**Mr. Sinclair:** I hope so.

**Mr. Fulton:** Thank you, I shall indeed. I wish to say that the Tory party has never yet stood in the way of an honest marriage.

**Some hon. Members:** Order.

**Mr. Sinclair:** Order.

**Mr. Fulton:** And if the Secretary of State wishes to make an honest woman of the Liberal party, and come back to the ranks—

**Some hon. Members:** Order.

**Mr. Fulton:** —we shall not stand in the way of that union. However, Mr. Chairman, your ruling prevents my pursuing that line of discussion any further. But I do wish to make some remarks which are immediately germane to the Department of the Secretary of State, and which have to do with a remark the Secretary of State made out in my home city of Kamloops—because here, I assume, the Secretary of State was speaking within his knowledge as a minister of the government and as the Secretary of State of Canada.

There was an interview with respect to myself, and the newspaper article goes on in this way:

The Secretary of State—

And I blush to say this; but this is the way it reads—

The Secretary of State praised E. Davie Fulton, the Kamloops M.P., with reservations. He said Mr. Fulton was too bright, as he put it, to waste as much time, as Mr. Pickersgill claimed he did, on "picayune" matters. He did not elaborate.

[The Deputy Chairman.]

**Mr. Pickersgill:** I withdraw that, sir.

**Mr. Fulton:** Well, Mr. Chairman, the Secretary of State almost disarms me. But since he made the remark with reservations, I notice he has not withdrawn it without reservations. So I think I am at liberty to comment upon it. It so happens that I am now on my feet discussing the estimates of the Department of the Secretary of State.

**An hon. Member:** Since when?

**Mr. Fulton:** I would not have used those words myself; they were used by the Secretary of State. It so happens that amongst the responsibilities with which I have been entrusted by my colleagues is that of the supervision, so far as our party is concerned, of the Department of the Minister of Justice. He is not here; but I am quite sure the Secretary of State would not characterize that responsibility as picayune.

Another of the responsibilities with which I am entrusted is that of supervision on behalf of my colleagues, and in co-operation with them, of the estimates and the legislation of the Minister of Citizenship and Immigration.

**Some hon. Members:** Order.

**Mr. Fulton:** And I am sure the Secretary of State would not characterize that responsibility as picayune.

**Mr. Harris:** I interject at this point only to express the hope that when my hon. friend comes to deal with my estimates he will deal with them in order, as he is not now doing with those of the Secretary of State.

**Mr. Fulton:** I really think the Minister of Citizenship and Immigration is a little sensitive. I was not trying to deal with his estimates at the moment. I was trying to deal with the Secretary of State. I was paying him the compliment of suggesting that the Secretary of State would not have characterized his department as a picayune one. And I was going on to point out that, among other things, for which I have had some responsibility at this session, is—

**Mr. Sinclair:** Point out, or drag out?

**Mr. Fulton:** I am not going to dwell upon that.

**Mr. Sinclair:** He could talk a month.

**Mr. Fulton:** Among the other matters with which I have been entrusted is the Department of the Secretary of State. Therefore inasmuch as I am quite sure the Secretary of State would not have characterized as picayune those other matters of responsibility with

which I have been charged, I can only assume that he applies that description to his own department.

Well, I looked up in the Oxford English dictionary—and the Secretary of State who is an Oxford graduate will therefore appreciate the source of my authority for the definition—

**Mr. Knowles:** He did not write the dictionary, did he?

**Mr. Fulton:** I looked up in the Oxford dictionary the definition of the word "picayune". He can find it in the library of parliament, page 1495, column 3, as follows: Picayune (as a noun) the U.S. 5-cent piece or other coin of small value; hence, colloquially, an insignificant person or thing.

I would not have used those words myself to describe the responsibilities of the department with which the Secretary of State is entrusted by this government. But apparently that is the word with which he himself chooses to define that responsibility. Then it goes on to say that, as an adjective, the word "picayune" means mean or contemptible. So that, apparently, the Secretary of State has taken it upon himself to come to my own city and to state there that I have been charged with the responsibilities of dealing with a department, with the activities of a cabinet minister, which, according to his own definition as it is set out in the Oxford dictionary, is mean or contemptible. I would not have used those words, myself; and I doubt if the Secretary of State had them in mind when he used the words.

**Mr. Sinclair:** For his department, or as a member of the cabinet?

**Mr. Fulton:** Perhaps the Minister of Fisheries has not been attending very closely.

**Mr. Sinclair:** Very carefully.

**Mr. Fulton:** The Secretary of State said that I was concerned with picayune matters. One of the matters with which I am concerned is the department of the hon. gentleman himself, and I do not care to follow it very much further. But I do feel that the hon. gentleman, perhaps having described himself by a dictionary definition as picayune Pickersgill—

**Some hon. Members:** Order.

**Mr. Fulton:** —should deal with the criticisms which have been made of the department up to this moment.

**Mr. Pickersgill:** I should like to say a word about the one point that the hon. gentleman took an hour to make, namely, that the war claims commission, presided over by the chief justice of Prince Edward Island, is not doing this work efficiently and fairly. I do not think that is a charge that is worthy of the hon. member. I do not think it is a charge that on reflection tomorrow he will be very proud of having made. The fact of the matter is that Chief Justice Campbell is following the rules laid down by Chief Justice Ilsley in the report which laid down the principles on which those claims should be dealt with, a report which was accepted by the government, in which the chief justice of Prince Edward Island, at considerable inconvenience to himself—and which he had no obligation whatsoever to do—has undertaken to do as a patriotic duty.

It so happens that the claims that Chief Justice Ilsley said should be dealt with first were the claims of those persons who had been prisoners of war. Almost all of those, except where certain evidence is not yet available that is absolutely essential to a proper adjudication, have already been dealt with and a great many of them, as the Minister of National Revenue attempted to point out when he was not treated very politely by the hon. member for Kamloops, have been paid.

It may be that there are some claims of a complicated character, where the facts are hard to establish and not very well known—these cases do exist; they are inherent in the nature of the situation. Documents were lost in those tragic events in Asia nearly a decade ago. In some of these cases it is very difficult to form a proper adjudication, but I can assure the committee—and I suggest to any member of the committee who has any doubts on this point that he go and see Chief Justice Campbell and ask him about it—that he is pursuing this task with zeal, with vigour and with a sense of justice that is worthy of the best traditions of our bench.

It is true that no property claims have yet been adjudicated, and for the very good reason that Chief Justice Ilsley said we should deal with claims for personal maltreatment before we dealt with property claims. If there is any hon. member who thinks that is a wrong principle, let him rise in his place and say so.

**Mr. Green:** There is one point in connection with handling these claims that I should like to draw to the attention of the Secretary of State. Apparently when Chief Justice Ilsley made his report he suggested that to qualify an applicant must be first of all a Canadian citizen; he must have been a Canadian citizen at the time that the loss or injury occurred and also at the time of the presentation of his claim for adjudication. These two recommendations are fair enough; but he went on to define what the time of application should be in the case of those who had already

applied, and as I understand it his finding was that the time of application would be taken as the date on which a commissioner was appointed.

The commissioner was not appointed for some months after Chief Justice Ilsley had made his report. The setting of the time in that way has had a very unfair result in some cases. One case has been drawn to my attention where the person concerned was a Canadian. He was treated very badly by the Japanese; returned to Canada in 1942, and was called here to Ottawa in order to give his version of what had been done to the prisoners by the Japanese. He filed a claim, and then later filed an official claim in 1945. His health had been so undermined by the treatment he received that he was advised by medical men to go to the United States. Incidentally, this man is also a doctor. He went to the United States, and in order to practise there he had to take out United States citizenship. He took out that citizenship in 1951, a short time before Chief Justice Ilsley had made his report. The result is that now he cannot qualify for any compensation. He was a Canadian citizen at the time he suffered the injury, but by the time the commissioner had been appointed in 1952 this Canadian had become a United States citizen, and he cannot qualify for a claim against the United States government because he was not a United States citizen at the time he suffered the injury.

This is a case where the man is entirely innocent. He has done nothing wrong, and I think the arbitrary setting of the date of application as the date on which the commissioner was appointed was not right. The order in council should at least have contained some exception so that where a Canadian had filed his claim earlier, believing that he was meeting all the requirements, he should not be ruled out simply by this arbitrary provision that the date of filing his claim shall be taken as the date the commissioner is appointed. Is there not some way by which a proviso can be written into the order in council which would meet a case of that kind?

I need only cite the facts for hon. members to see that this is an unfair result, and the last people any of us want to see injured are those who actually suffered at the hands of the Japanese. As we all know, they suffered perhaps more than any other Canadian citizens during the war years. I hope that something can be done to meet a situation of this kind.

**Mr. Pickersgill:** On that point, Mr. Chairman, I will not speak in detail, but in a general way I am familiar with the particular case to which the hon. member referred. So far as I can judge from my recollection—I have no papers under my hand—what he has said agrees with the set of facts represented to me. This is the kind of case which was in fact considered by Chief Justice Ilsley specifically in his report. He specifically recommended the exclusion of those cases. The government accepted the Ilsley report. We have varied the report in one respect, as the hon. member for Vancouver-Quadra knows. It could be varied in another—there will be some review when these matters get a little further advanced—and if the government then comes to the conclusion that any substantial amount of injustice has been done by this rule there certainly will be a review of the matter. But I think all members of the committee would agree that the first persons who should be considered—and this is in accord with the Ilsley report—are those who were Canadian citizens and still are Canadian citizens.

**Mr. Fulton:** The minister has said that the first priority was given to cases of claims for personal injury.

**Mr. Pickersgill:** Prisoners of war.

**Mr. Fulton:** Prisoners of war, so far as their personal sufferings are concerned, are relatively easy to deal with; but I know of cases where there is a mixture of personal injury and property damage. With respect to the cases that I have in mind neither branch has been adjudicated. I ask the minister what is being done to settle the jurisprudence, if you like, in dealing with these cases.

**Mr. Pickersgill:** On that point, I am sure the members of the committee will appreciate that I have no degree of familiarity with the detailed operations of this commission. No one would expect me to have. I would think that if a claim or a partial claim—perhaps I am unwise in saying this—were partly for personal injury and partly a property claim and both were made at the one time as one claim it would not be adjudicated in two parts. It might be so adjudicated if there were some representations made. If the hon. member for Kamloops will bring the particular cases he has in mind to my attention I will be glad to get specific explanations in these cases for him just as quickly as I can.

**Mr. Fulton:** I am gratified to have the minister's assurance. However, there is one other point I would like to bring to his attention without going into detail. The recommendation of the commission was that the authority for a claim or the basis for a claim be on a decision as to whether or not a person was a Canadian at the time when the

injury was suffered. I would suggest to him that if he examines at least the tentative rulings which have been made, and I am not prepared to say they are final rulings, he will find there is a tendency on the part of the commission to impose undue technicalities, if you like, in the way of the establishment of the basis of Canadian status on the part of the claimant. I would suggest that the commissioner, Chief Justice Ilsley, left those words in a rather general way and I would suggest to the Secretary of State that they are being interpreted by the commission in a rather narrow and technical fashion. He might well ask the commission itself to undertake a review of the interpretation of Canadian status of all claimants with respect to these things which the claimant must prove in support of his Canadian status before his claim will be recognized.

**Mr. Pickersgill:** This is the first time that this suggestion has been made to me but I shall be very glad to look into it.

Item agreed to.

*418.* Companies branch, $81,495.

**Mr. Michener:** Mr. Chairman, having had some experience in a similar department in another field I appreciate something of the work of this branch. I would be interested to know from the minister what number of incorporations have been made in the past calendar year or fiscal year.

**Mr. Pickersgill:** I do not carry these figures in my head but I am informed that there have been 838 under part I, and 36 without share capital under part II of the act.

**Mr. Michener:** Perhaps what I have to say, Mr. Chairman, relates to two or three items and possibly I can discuss them all at this time. This branch, first, is a revenue-producing branch as well as a spending branch and I have taken the trouble to total up the revenue from companies' trade marks, patents, and another small section known as copyright and industrial design. It appears that the revenues amount to about $1,500,000 which is about 57 per cent of the estimates which the minister is now submitting to the committee, and it therefore comes near to paying its way. Two of these items produce a surplus. I note, for example, that according to the estimates trade marks will cost $877,000 and the estimated revenue is $758,000. I would suggest to the minister—and I think this refers to the copyright office—that the privilege of a patent or copyright is a very valuable one to those who acquire it and perhaps that is one of the services which might be regarded as worthy of putting on a self-paying basis. I would ask whether the minister has considered increasing the fees in this office so as to put it on a parallel with the other two branches both of which are paying their way so that all three of these branches, which provide a very useful service, would all pay their way.

I ask that because I note that the percentage of increase for this department for this year is 12 per cent if one deducts the unusual expenditure of $1 million last year provided for coronation expenses. That 12 per cent increase is somewhat in excess of the percentage of increase of that useful index known as the gross national product, and perhaps the minister would care to comment on that point.

**Mr. Pickersgill:** Mr. Chairman, I have no wish to cast any reflection upon the hon. gentleman but perhaps, like most hon. members, he has had to be absent from the house at times and he may have been absent on the day on which this matter was previously discussed and failed to notice that parliament during this session passed a bill increasing the fees. My officials assure me that the increase in patent fees will be enough to produce a surplus next year and I will be very disappointed if there is not a surplus.

In the case of the companies branch I felt the hon. gentleman might have had some criticism to make, because I had some to make when I became minister. I felt they were deriving an undue revenue by not dealing with these matters as expeditiously as they could. It was not because the officials were not zealous, because they are zealous, but because they had not enough staff. It seems to me that if a government undertakes to provide a service, and to exact fees to pay for it, it should give that service. I have no apology to make for the increases in staff in this revenue-producing branch of the department. I think they all ought to pay for themselves, but they should not be regarded as profit-making and enough staff should be provided to deal with the work expeditiously. I am sure the hon. member will agree with me.

**Mr. Michener:** Just to ensure that I understand the minister correctly, do I understand that these particular fees are based on the fees as approved this session?

**Mr. Pickersgill:** Yes, that is right.

Item agreed to.

*420.* Bureau for translations, $1,076,997.

**Mr. Macdonnell:** I would like to ask the Secretary of State a question, if I may. When

the increase in this department was noted a year ago the Secretary of State at that time said that most of the increase was due to the Department of National Defence, the work of which had been transferred. Would the Secretary of State now say just a word as to the reason for this substantial increase?

**Mr. Pickersgill:** The hon. member for Greenwood is perhaps more conscious than most of us of the fact that expenditures tend to increase. He keeps that in his own mind and in the minds of most other hon. members. I am informed that the largest part of this increase is due to the salary increase given to civil servants effective December 1 last.

**Mr. Fulton:** I do not know whether the Secretary of State is in a position to do so, but if he is I would like him to comment on a suggestion which has been made on several occasions previously. The suggestion is that in the same way as there has been established and put under his authority a bureau for translations responsible for the translations of all departments, there should also be a bureau for publicity responsible for the publicity of all departments, so that if one of his colleagues comes and says, "We have a publication with respect to the treatment of hog cholera which we think should be publicized as being of general interest", then the bureau might undertake to do so. If another department comes and says "We have a treatise on the home freezing of apples that we think is of interest to the people; would you publicize it?", this bureau might undertake it in the same way.

As I understand it, the bureau for translations was established with a view to economizing on the cost of translating which up to that time had been carried on in separate departments under their own control. I want to ask whether the minister does not think that a bureau for publicity might exercise an over-all control and a very healthy limitation upon the amount of government publicity and the cost of government publicity.

**Mr. Pickersgill:** Mr. Chairman, if it is not unparliamentary, my comment on that suggestion would be "God forbid". I am not and never have been an advocate of thought control. I think the only proper kind of control of government publications outside each department is the control exercised by the treasury board. I would hate to see one minister set up as the censor of another.

**Mr. Fulton:** What has the minister to say about the bureau for translations? Does his department not exercise control over what shall be translated and what shall not be translated?

**Mr. Pickersgill:** No, Mr. Chairman. The bureau for translations provides a translation service for each department of government and for parliament. It translates what it is given to translate. It does not decide that something is worth translating or something else is not worth translating. It is simply a service.

**Mr. Fulton:** Is there not considered to be a saving in having it centralized in one bureau?

**Mr. Pickersgill:** I would suggest, Mr. Chairman, that in one case it is suggested that a qualitative judgment be exercised and in the other—

**Mr. Fulton:** No. Taking the minister at his own word that he does not exercise any discretion as to what shall be given publicity and what shall not, may I ask this question? Would there not be the same measure of saving and economy which is now felt to be made by having a centralized bureau for translations? Would there not be some measure of economy by having a central bureau?

**Mr. Pickersgill:** In that sense there is already the printing bureau which is responsible to me.

Item agreed to.

Patent and copyright office—

*423.* Copyright and industrial designs division, including a contribution of $2,100 to the union office for the protection of literary and artistic works, $22,068.

**Mr. Macdonnell:** I want to ask a question with regard to the Copyright Act and I wish to preface my remarks by reading briefly from last year's *Hansard* when the estimates of the Secretary of State were under discussion. At page 5304 of *Hansard* of May 13 of last year this question was asked:

Mrs. Fairclough: I wonder if the Secretary of State will say whether be contemplates providing Canadian composers with means for copyrighting their original musical compositions?

Mr. Bradley: I do not know that there is anything to prevent a Canadian composer from copyrighting his production now.

Then there was a further question and Mr. Bradley then replied as follows:

Mr. Bradley: As a matter of fact copyright exists without registration, and I do not understand why the particular case to which my hon. friend refers cannot be straightened out.

Then the hon. member for Hamilton West who had been questioning him said this:

> This is not a particular case. I have been all through it, and I tried very hard to get Canadian coyright for an original composition. You just cannot get it in Canada.

I now come back to where I started. I want to ask the minister if he will just explain briefly the procedure which is followed. I have been reading the Copyright Act. I take it that there must be some procedure necessary—it is quite clear from the act that there is—but what I am not clear about it is just exactly what evidence is given by the department to the composer on the strength of which he is evidently able, according to the terms of the act, to seek legal remedies if his right is infringed. I repeat my question. I am asking for guidance as to the procedure which needs to be followed and as to the document or whatever it is which is obtained by the grantee for use in evidencing his rights.

**Mr. Pickersgill:** I am going to improvise a little bit, Mr. Chairman. I have not the advantage enjoyed by the hon. member for Greenwood who is a lawyer. However I do not think that advantage helps much in this case. As I understand it, copyright is inherent. You own the copyright if you produce the thing, regardless of whether you register it or not.

**Mr. Macdonnell:** May I ask a question just there?

**Mr. Pickersgill:** Yes.

**Mr. Macdonnell:** You say you own the copyright if you produce it?

**Mr. Pickersgill:** If you produce the article, the music or the writing or whatever it is, the copyright is your property without regard to anything you may do at the copyright office.

**Mr. Macdonnell:** If you produce it?

**Mr. Pickersgill:** If you write it down on a piece of paper, it is yours; you own it.

**Mrs. Fairclough:** But how do you prove prior claim?

**Mr. Pickersgill:** If the hon. lady could be patient for just a moment or two I will come to that matter. I was coming to it next. Of course you can defend that right in the courts without having anything to do with the copyright office at all. You can simply go to the courts and if you can prove that you wrote the thing in the first place, or that you composed the music in the first place, then it belongs to you, it is your property and it does not enter into the public domain for a certain number of years. I do not profess to know how many years that is.

The object of the copyright office is to facilitate the proving of the fact of ownership, and there is there the facility for registering these claims of ownership in order to help prove ownership and to make it easier to collect royalties. I do not think the hon. member for Hamilton West last year was quite right in saying that you could not establish the copyright. I know there is a great deal of feeling that a Canadian composer cannot profit from his copyright or that it was very difficult unless he joins one of these associations which hold copyright to get any benefit from copyright. I have heard this contention. This is something that has been alleged to me, and is one of the things that I hope is going to be elucidated by the royal commission which was set up last week under Chief Justice Ilsley.

**Mr. Macdonnell:** May I just read briefly from section 36 and confirm my understanding that there is a register. Subsection 1 of section 36 of the Copyright Act reads as follows:

> Every register of copyrights under this act shall be prima facie evidence of the particulars entered therein and documents purporting to be copies of any entries therein or extracts therefrom, certified by the commissioner of patents or the registrar of copyrights, and sealed with the seal of the copyright office, shall be admissible in evidence in all courts without further proof or production of the originals.

**Mr. Pickersgill:** Quite so.

**Mr. Macdonnell:** Is that a proper and normal way of proceeding or is it not? The Secretary of State a year ago seemed to me to cast doubt on that method and it is for the purpose of being clear on it that I am raising the question.

**Mr. Pickersgill:** I think it is a convenience that anyone can use who wants to do so. A professional writer would do it, I imagine, almost automatically; but I doubt whether the hon. member for Greenwood has ever taken the trouble to copyright his speeches.

**Mr. Macdonnell:** Quite right.

**Mr. Pickersgill:** I understand that they belong to him and if someone reproduces them without his permission he would have a cause of action. Whether or not the courts would decide that the damages were great, I do not know. I would think they would consider that far from its being a damage, it was an advantage to him. I know that that is the view I take. If anybody, even the hon. member for Kamloops, will repro-

duce to a larger audience the things I have said to an audience of one, in my view it is free advertising.

But to come back to the point and to be a little bit more serious about this matter, may I say this. My understanding is that the registration of copyright is simply to facilitate the proving of ownership. It has been suggested that there is, in the music-producing world, a combine or combination which, if a composer does not belong to it, is able to make it almost impossible for the composer to get any profit out of any music composed in Canada. Whether or not this is true I have no means of knowing. I have no doubt that the people who make that allegation will make representations to the Ilsley commission, that the people against whom the allegations are made will attempt to rebut them and that, in the next year or two, we shall have something to guide us in this matter which I confess I have not at the present time.

**Mr. Fulton:** I do not wish to give any wider publicity to the remarks of the Secretary of State, but I appreciate the remarks he has made. Is the hon. gentleman in a position to give us a progress report? Is there anything on which he would desire to report progress with respect to the commission recently established?

**Mr. Pickersgill:** Well, I understand that Chief Justice Ilsley is coming to Ottawa on Saturday to hold the first meeting of the commission which, considering it was only appointed on the 10th is, I believe, rather expeditious, and what hon. members would expect of Chief Justice Ilsley.

**Mr. Richard (Ottawa East):** I want to say a word to confirm what the Secretary of State has just said about copyrights. He is perfectly correct that under the act a copyright subsists in any original artistic, literary or scientific work and that the registration is just a convenience to prove prima facie in court ownership of the copyright. It also must be used, under a further provision of the act, in the case of a licensee who wants to claim damages from the original author.

**Mrs. Fairclough:** I really had not intended to enter this discussion tonight but I do have in a file on my desk the correspondence which I had with the department subsequent to my inquiry of last year, and I cannot conceive what good the registration is if the registry office does not keep a record of the actual content of the work, manuscript or whatever it may be. In circular No. 105, which was sent to me as an example, the final paragraph reads as follows:

> Copies of the works are not required for registration of copyright and, if received, they will be returned to the sender.

I know from experience that is not the case in Washington. If you have a musical work you make a copy of it, send it to Washington and register it there. If my memory serves me correctly, you are protected for something like twenty years. I am not a lawyer either so I find it a little difficult to wade through all this stuff, but as nearly as I can tell all you can register in Canada is a name. You write to the department and say: I have a composition which I call "All of the King's Men". They say: "All right, that is yours, nobody has that name ahead of you and you are protected on that name". But it could cover Beethoven's fifth symphony or anything else as far as the department is concerned. There is not a thing on record to indicate to them what it covers.

Consequently the person who seeks to protect his own composition is not protected at all because anyone can say that it is not the composition he has protected under that name. That is something that I think should be corrected. I think our own composers should be protected against the stealing of their works.

**Mr. Pickersgill:** I will make a point of bringing the remarks of the hon. member to the attention of Chief Justice Ilsley and I am sure they will be considered.

**Mr. Fulton:** I hope that private members on the government side will observe the precedent established by the hon. member for Ottawa East and correct, enlarge upon and direct the remarks of cabinet ministers in the future.

**The Deputy Chairman:** Shall the item carry?

**Mr. Fulton:** It is a good precedent.

**Mr. Sinclair:** Better advice than they will get from you.

**Mr. Charlton:** There is one point which I think the Secretary of State should explain. It seems quite obvious that there is quite a considerable increase in postage for each item in his department. The increase amounts to some $6,860 in all, and with the exception of two items where postage is not mentioned there is quite an increase in each one. Will the minister explain why that increase is necessary?

**Mr. Pickersgill:** I hope it is not because of all the mail I send to Newfoundland.

**Mr. Charlton:** Of course that is not an explanation. When the cost of postage goes up from nothing to $3,500 in one case there is a reason for it.

**Mr. Pickersgill:** I understand it is because of a change in the accounting system of the Post Office Department. They used to provide the service free and now they charge it to the government departments.

**Mrs. Fairclough:** I hope I was responsible for that.

**Mr. Charlton:** That is not the whole explanation because there were items for postage rates in previous years.

**Mr. Harris:** You will find these items in all the estimates this year.

**Mr. Fulton:** You do not find the explanation given by the Secretary of State.

**The Deputy Chairman:** Order.

**Mr. Fulton:** You do not find the Secretary of State—

**Mr. Pickersgill:** On a point of order, I think the hon. member for Brant-Haldimand should be allowed to ask his question.

**Mr. Fulton:** He was and you were not answering.

**Mr. Sinclair:** You have not got a monopoly here. You should be the whole Tory party.

**Mr. Charlton:** The Secretary of State should also be allowed to answer the question and the Minister of Fisheries should not try to answer for him.

**Mr. Sinclair:** Hear, hear.

**Mr. Charlton:** I do not think the whole explanation is that you did not pay postage before because items for postage have appeared in other years.

**Mr. Pickersgill:** May I read what I have in my notes which I assure the hon. member is all I know about the subject. The money required is to provide for the cost of registered mail, special delivery, parcel post, air mail and all mail addressed for delivery outside of Canada, the United States and Mexico. This increase results from the discontinuance of free postage credit and postal meters for prepayment and dispatch of the above mentioned mail.

**Mr. Sinclair:** Good business.

**Mr. Pickersgill:** I cannot add anything to that. If the hon. member needs any more information I will try to get it and give it to him tomorrow.



**Mr. Charlton:** I take it that this is for mail sent outside of Canada. Is that true?

**Mr. Pickersgill:** That is what it says here.

Item agreed to.

**The Deputy Chairman:** Public archives and national library.

**Mr. Fulton:** Mr. Chairman, it is now after ten o'clock.

**Mr. Sinclair:** Let us get it through.

**Mr. Fulton:** It is after ten o'clock, Mr. Chairman.

**Mr. Harris:** Mr. Chairman, I wonder whether I might appeal to the good sense of the hon. member for Kamloops, who has just called it ten o'clock, and suggest, without stressing the point, that on another occasion we did go to some trouble to arrange the business of the house to meet his convenience and ask him if he would not consent to go on at this time and finish these particular estimates.

**Mr. Fulton:** I think we carried item 730 on a previous occasion. I was not objecting to carrying items 728, 729 and 730.

**Mr. Pickersgill:** The hon. member is perfectly correct. Item 730 was taken on another day to meet the convenience of certain hon. members. I wonder whether the committee would agree to go on for a little while with the archives and the other small items I have.

**Mr. Fulton:** Which items are they?

**The Deputy Chairman:** Public archives and national library, resolution 350, to be found on page 50.

Public archives—

*350.* General administration and technical services, $297,020.

**Mr. Herridge:** I want to say a few words on this item because I am very interested in the work done by those connected with the public archives and the national library. First of all may I say that I think the majority of members appreciate the valuable and excellent work being done by our dominion archivist and his staff. I am interested in history myself and on a good number of occasions they have rendered me very quick and courteous service in looking up matters that were of particular interest to me or some of my constituents. I think the dominion archivist and his staff are doing excellent work in collecting and preserving the records of this country. That is a very much more important matter than many Canadians realize at this time, although I am pleased to note that more and more people are recognizing the good work being done by our public archivist. They are doing that

work with the co-operation of quite a number of local organizations, historical societies and individuals throughout the country who spend a great deal of time gathering material and facts concerning local history and preserving them to that extent.

Earlier this evening one hon. member spoke about a system of awards. May I say that I support a system of awards as outlined which would recognize outstanding service in this country by outstanding Canadians and ordinary people. In this connection I suggest that there are many people in this country—you find them in the little communities all over Canada; you find them in various communities in British Columbia, they are relatively few in number—who have worked for years and taken the trouble to collect local historical documents, keep records of organizations and things of that sort; relics that are of increasing value as the years go by. Many of them are making contributions to local historical societies and also making their contributions to provincial and dominion archives. I believe there should be some appropriate system by which recognition is given to the willing and co-operative service rendered by these individuals.

I would ask the Secretary of State to consider whether it would not be possible for either the historical sites and monuments board or some other recognized authority to devise some system of certificates that could be awarded to people who had made outstanding contributions to preserving history, even in the local or community field. I think official recognition would be a good connecting link between the individuals who do this kind of work throughout the years, and the more or less official bodies, the historical societies and our provincial and national archives.

I have just another word or two to say, Mr. Chairman. From time to time we hear in this house criticism of the expenditure of public funds for archives, for libraries, for paintings, for the development of music, of art, and culture in other directions. We are not very far from the pioneer stage. Some of our more practical people, sometimes people who are more or less over-infected with bourgeois opinions, resent expenditure of public moneys on these things. We in this group take the opposite view. We believe that a vote for expenditures on these things is a vote for progress and the development of our civilization.

In that connection I just want to mention something I noticed in a recent issue of the New York *Times*. It is dated May 16, and is an article dealing with the amount of money being spent by the government of Turkey on music and activities of that sort. I wish to quote a few figures which I feel should shame Canadians who are opposed to the expenditure of money on such things as archives, national libraries, books, music and so on. I quote:

> Turkey has had a state opera since 1949 and its government has appropriated $3,300,000 for the building of a new opera house in Istanbul. Besides this the government gives $750,000 a year to the state theatre and opera in Ankara; $350,000 a year to the Turkish philharmonic, and about $150,000 a year to the Turkish national conservatory where the 300 students, besides getting free tuition, are also provided with board, lodging and clothing.

**Mr. Fulton:** Ten o'clock.

**Mr. Herridge:** I do not like the hon. member for Kamloops to say ten o'clock. As one of my colleagues said quietly, some contributions made to the debate this evening would cause one who gives any thought to the question to come to the conclusion that Mr. Cecil Rhodes failed somewhat in his attempt to civilize the colonials by granting scholarships. Now, Mr. Chairman, that comment is intended to be in good humour and spirit.

**Mr. Fulton:** Ten o'clock.

**Mr. Herridge:** I suggest that if this government were to perhaps spend a similar amount on the things that I have mentioned there would be a strong protest from some people. However, I think we can learn a lesson from the amount of money spent by the government of Turkey upon such things as music, libraries, museums and activities of that sort. I am very pleased to see the increased amount that is in the estimates, and I trust that next year there will be a further increase. I notice there is an increase this year of $14,816 for the archives, which is little enough for the very important work to be done by our dominion archivist and his staff.

**Mr. Macdonnell:** As one who benefited from the generosity of the late Cecil John Rhodes, I rise with some hesitation after what has been said by the previous speaker. I understand we have agreed to discuss this item and I want to say a word about it. We spend a good many billion dollars for a certain type of protection against danger which confronts us, but it remained for a distinguished soldier to remind us this week that in the last analysis the final protection is not going to be tanks and guns, it is going to be the things for which libraries stand. Therefore, I believe it is well we should pause at this moment and not cry ten

o'clock when people are talking about libraries. I should like to endorse what has been said.

**Mr. Fulton:** Since there seems to have been some reference to the cry of "ten o'clock" I make no apology whatever for the fact that I have suggested, when my hon. friend was discussing what was spent in Turkey for matters of public archives, and so on, that it was not germane to the discussion of the estimates of the Secretary of State. If I am uncultured and uncouth, if I have not benefited—

**Mr. Sinclair:** Hear, hear.

**Mr. Fulton:** —by the education to which I was exposed overseas, I do ask my hon. friend not to lay the blame on Cecil John Rhodes, but to lay the blame right here.

**Mr. Macdonnell:** I did not hear my friend say ten o'clock.

Item agreed to.

National library—

*351.* General administration, $102,998.

**Mr. Knowles:** Can the Secretary of State say a word as to what is the status of the national library? I realize that when we talk about the national library we are talking about two things; one, the institution, the collection of books and so on, and the other the building. Perhaps it is the latter that I had in mind in my question. What is the status of that aspect of the matter?

**Mr. Pickersgill:** Of course the hon. member, who is an expert on the rules, realizes he is out of order. The question should have been asked of the Minister of Public Works. However, I shall do my best to reply. Plans are being prepared for a building, and a site has been chosen on which one of the oldest, if not the oldest, of the temporary wartime buildings is now situated. It is hoped that it can be torn down by the time plans are complete, and we can proceed just as expeditiously as, in the circumstances, would be possible with this project which the government has no desire to delay.

**Mr. Knowles:** What is that site?

**Mr. Pickersgill:** It is the No. 1 temporary building.

Item agreed to.

*352.* Payment to the national library purchase account for the purpose of acquiring books, in conformity with section 12 of the National Library Act, $40,000.

**Mr. Hamilton:** I notice that this is the last item of the minister's estimates—



**Mr. Knowles:** There are two more.

**Mr. Hamilton:** I have a general question dealing with the operations of the department. Would the minister prefer to have it now or on the last item?

**The Deputy Chairman:** Order. I think perhaps the hon. member had better ask the question now if it is in order. The estimates of the Secretary of State have been completed and we are now dealing with the various agencies for which he speaks in parliament.

**Mr. Hamilton:** Since this is the last item under that category perhaps we could deal with it here; I refer particularly to the sometimes careless and irresponsible way in which certain questions which are placed on the order paper in this house are handled, specifically by the Secretary of State. I have one example here. I am quite happy to see the Minister of Fisheries is in the house as well because he got into the act as he seems to do on a number of occasions. This question referred to government publications. Perhaps we should define our terms so the Secretary of State and myself will be talking about the same things.

**The Deputy Chairman:** I am afraid the hon. member is definitely out of order in discussing that matter at this particular time. The estimates of the Department of the Secretary of State as such were passed some little time ago. The Secretary of State officials have left the chamber, and the resolutions have been sent away from the chamber. We have before us now only the vote for the public archives; and we may, if we reach them, have the votes for the chief electoral officer and the civil service commission. I am afraid I must rule at the moment that the hon. member's question is out of order, because it is. But perhaps I might make the suggestion that he raise it when the items for legislation, including the operation of this chamber, are before the house. They have not yet been called.

Item agreed to.

Civil service commission—

77. Salaries and contingencies of the commission, $2,300,379.

**Mrs. Fairclough:** Mr. Chairman, as the committee has come to expect, I rise each year to urge upon the Secretary of State the appointment of a woman to the civil service commission, if and when the next vacancy occurs. But on this particular occasion I feel I must bring to the attention of the committee one or two things that have occurred recently and which seem to me to bear out my contention that there should be a woman on that board.

I hold in my hand a sheet from the Ottawa *Citizen* of Wednesday, June 9, in which appears a group photograph of what is described as 31 branch heads in 20 civil service departments undergoing a special experimental course on government administration at Kemptville agricultural school. I point out that in this photograph there are no women present.

I was intrigued by this. I had seen previously the announcement of this school which was to be set up over a period of four weeks and which, I believe, terminates on June 18. I made it my business to inquire into the matter and found that although there are a number of women in the same grade of posts as those who were at the conference none of them found her way to that conference for this instruction on administration. That is just one item that has come to my attention.

The other one I think is a little more serious because, while the one I have just mentioned could have developed through oversight or failing to realize that there may have been some administrative officers in the civil service who would have been eligible but who, for one reason or another, found they could not attend, nevertheless in this other case there is obviously a definite instance of discrimination. I bring this to the attention of the Secretary of State to support my contention that one of the commissioners should be a woman, someone who can understand the conditions under which women in the civil service work.

I have here a letter which came to me from the city of Toronto. In it is set out the case of those students who were enrolled in the course at the University of Toronto which is known as the course on political science and economics. The third-year class in this course is made up equally of girls and boys. Early this year the Department of Citizenship and Immigration circularized the third-year students and offered summer employment to six undergraduates, and permanent employment to an unspecified number of graduates.

The type of work indicated was that for which these students were preparing themselves. And so, all the members in the third year applied for this summer employment. Application forms were transmitted to the civil service commission, and the applicants awaited results. I am informed that this particular third-year class had been headed by several girls, that the boys, in the main, were in the intermediate class between the top grade and the lower grade, and that there were no boys at all in the top grade. Yet not one of those girls was interviewed, not a single one. All the boys in the class were interviewed.

[Mrs. Fairclough.]

**Mr. Pickersgill:** I hope my hon. friend the Minister of Citizenship and Immigration is listening.

**Mrs. Fairclough:** I do not think it is his responsibility; it just happened to affect his department. Once the Department of Citizenship and Immigration had signified its willingness to give employment, I think the matter passed out of the minister's hands and became the responsibility of the civil service commission. From then on I do not think it was the minister's department which was responsible.

However the point is that if girls are not to be considered for these posts, then why have them take the course in the first place? Why let them waste their time? Why would not the president of the university, the deans of faculties and the heads of courses be advised that under no circumstances would women be given recognition by the government of Canada in these posts? Why send a circular to the whole class and say, "We will employ half a dozen undergraduates for summer employment and employ a further number of graduates"? After doing that, why say "We will interview only boys from that class"? It seems to me perfectly ridiculous. When these girls in the class made their complaint to the civil service commission the replies they received were evasive in the extreme, and to this day they have received no satisfactory reply.

This is just one more example of the discrimination which is exercised to some extent. I do not know how widespread it is, but I do think there is a misunderstanding of the role which these women graduates can play in the public service of Canada.

Once again I urge strongly that when the first vacancy occurs on the civil service commission preference should be given to a woman commissioner to fill that vacancy. I am sure the Secretary of State will agree with me that in the civil service of Canada we are not lacking in competent women who could fill that post.

**Mr. Pickersgill:** I think I must defend my political reputation by saying a word or two in reply to the hon. member. In the first place I find myself, I will not say in complete agreement with everything she said, but quite sympathetic to everything she said. I certainly agree that there are plenty of women in this country just as competent to be civil service commissioners as are a great many of the men in this country. I agree furthermore that women, whenever they have the qualifications, should not be discriminated against. For my part I have always been rather a feminist, and I never have found any reason to change my views.

Now having protected my present position I think I ought to protect my future position by saying that the Secretary of State really occupies a very peculiar position in relation to the civil service commission. The civil service commission is not responsible to the government, but to parliament. The Secretary of State is only a sort of connecting link or, perhaps, a drain pipe between the civil service commission and parliament. And I will draw to the attention of the commission the hon. lady's remarks, although I do not think it will be necessary because I am sure they will have been drawn to their attention already. They will also see what I have said in encouragement of what she has said.

As to future appointments, of course the Secretary of State does not even recommend appointments to the civil service commission. I just say that so if the hon. lady's wishes in future should not be carried out by a government of which I might be a humble member, she will not hold me politically responsible.

**Mrs. Fairclough:** Of course not. On the other hand, the commission itself does not appoint its own members.

**Mr. Pickersgill:** Quite; they are appointed by the government.

**Mrs. Fairclough:** These instances which I have described here tonight merely substantiate my claim. I did not expect that the Secretary of State would have any jurisdiction over those particular instances. I know that is a matter for the civil service commission; but I still say that until one of these commissioners is a woman, the women in the civil service will not have a sympathetic ear at the highest administrative level, and thus of the actual commission itself.

The day will come, and I would think not too far distant—probably before the Secretary of State presents another set of estimates in this house—when there will be an appointment to that commission. I want to say right now that if or when that appointment is made I hope the Secretary of State will not come to this house and make apologetic remarks for having appointed another gentleman to that commission. I hope that his search, or the search which is apparently now being made by the government, by its representatives or by whoever is responsible for the appointment of commissioners to that commission, will extend among the women who are giving service to this government in the civil service at the present time and that it will not be confined merely to the male members of that service.

**Mr. Michener:** I suppose this vote is for the personnel department of government. I suppose you might call the commission that.

**Mr. Pickersgill:** I think the hon. gentleman realizes it is not a department of government at all, and is not even responsible to the government.

**Mr. Michener:** Whether it is responsible to the government or not, it is the commission which selects and appoints a good number of the civil servants.

**Mr. Pickersgill:** Yes.

**Mr. Michener:** Can the minister give us information as to the number of civil servants who are appointed by the civil service commission because I know that some are and some are not? I should like to have the figure of those who are appointed by the commission and also the figure of the total payroll of those who are appointed by the commission. That may take a little while to get, but it is a condition on which I will permit this item to pass.

**Mr. Pickersgill:** I wonder whether I might crave the hon. gentleman's permission, without prejudicing the passing of this vote, to put that on *Hansard* the next time we are in committee, because I would not like to give any figures I might have now or any offhand information about figures of this kind because it is very important that if they are given they should be right.

**Mr. Michener:** That is quite satisfactory, Mr. Chairman, if it is done in that way.

**Mr. Fulton:** Let the item stand.

**Mr. Michener:** No; I shall be quite satisfied to have the information.

**Mr. Pickersgill:** I should be glad to give it on the orders of the day.

**Mr. Michener:** The information I want is the number of civil servants, in round figures for whose appointment the civil service commission is responsible, and the total payroll of that group of civil servants.

**Mr. Pickersgill:** Quite.

**Mr. Michener:** Would the minister add the balance of the payroll?

**Mr. Pickersgill:** I shall be very glad to do that.

**Mr. Pearkes:** I will not delay the committee for more than a couple of minutes, but I do want the minister to draw to the attention of the commission—I think that is the right phrase—representations which have been made to me by a group of ex-service

men that they might be entitled to the veterans preference in the same way as other veterans who have served in the Canadian forces or who have served in the Imperial forces and had prior domicile in Canada are entitled to a preference. There are a number of men who served in commonwealth forces other than the Canadian forces in world war II who have come to Canada, who have lived in Canada for five years and have now taken out Canadian citizenship. Will the minister ask the commission to give consideration to the desirability or the possibility of granting that group of men, now that they have lived in this country for five years and have become Canadian citizens, the same veterans preference as the men who served in the Canadian forces?

**Mr. Pickersgill:** I would rather doubt whether it would be competent for the civil service commission to do that. I would think that is something that would have to be done by parliament. The hon. gentleman has made his representations, and members of the committee have heard them, and I shall see that my colleagues are advised of them.

**Mr. Knowles:** There are some figures that I should like to ask the Secretary of State to obtain as well. If he wishes to deal with them in the same way as he suggested in reply to the hon. member for St. Paul's that would be satisfactory. He will find that on previous occasions I have asked for the break-down of civil servants into several groups: permanent, temporary, temporary-permanent and others. I wonder whether he can produce those figures for the present time, and also the same figures for say five years ago, in order to show what the trend is? And if at the same time he would give the total number of people employed by the government on a prevailing rate basis I would appreciate it.

**Mr. Pickersgill:** I shall be glad to do the best I can. As far as these figures are concerned, I think the hon. gentleman knows that there would not be a strict compatibility any more because under the new set-up the main difference between permanents and temporaries as to whether they were under superannuation or not has been, if I may use a vulgarism, largely washed out. It would be very hard to draw the kind of line suggested, but in so far as it can be done, in so far as I can figure out any way to get the information, I will be glad to comply with my hon. friend's request.

**Mrs. Fairclough:** I have one other matter. I realize that a question was placed on the order paper earlier this session in regard to this. Can the Secretary of State tell us why it was necessary to issue a questionnaire to retired civil servants inquiring into particulars of any employment which they may have taken subsequent to their retirement. I know that this particular questionnaire caused a considerable amount of concern among some of these people. If they had served their time with the government and retired on superannuation my own opinion would be that it is none of their business whether they took subsequent employment or not.

**Mr. Pickersgill:** I am quite sure that no such questionnaire was issued by the civil service commission. It may be that is something that had something to do with the operation of the superannuation act. I shall be glad to draw the hon. lady's question to the attention of my colleague, the Minister of Finance, and suggest that he reply on his estimates.

**Mrs. Fairclough:** I do apologize. Now that I have looked at it the second time I see that the questionnaire is headed "The Department of Finance".

Item agreed to.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris:** I move that the house do now adjourn. Tomorrow we shall take the amendments to the Bank Act which were made in the Senate; then the resolution with respect to the Judges Act. I have reason to believe that hon. members opposite will find it convenient to pass it through all stages with little or no debate. Then we shall take the estimates of the departments of trade and commerce, veterans affairs, mines and technical surveys, legislation, fisheries and any others we may have time for.

**Mr. Fulton:** When shall we have the privilege of having the estimates of the Department of Citizenship and Immigration? We are all so extremely anxious to hear from the minister on that.

**Mr. Harris:** I realize that the house is anxious to support the minister in the policy he has adopted over the years. Had I had my way they would have been before the house some time last week.

**Mr. Fulton:** Which of your cabinet colleagues is opposing bringing them on?

**An hon. Member:** The hon. gentleman opposite.

**Mr. Fulton:** Am I one of his cabinet colleagues?

**Mr. Sinclair:** You are the devil's advocate of the cabinet.

**Mr. Harris:** I know hon. members opposite will not take this in anything more than a helpful sense, but I have a good many requests for special consideration on special days and many hon. members have spoken to me before the hon. member for Kamloops and I feel I will have to carry out these engagements.

**Mr. Knowles:** I hope the minister will not take our silence a moment ago as indicating that we necessarily agree to the proposition that the Judges Act might be put through all its stages in one day. We may agree; but let us not take it as being agreed tonight.

Motion agreed to and the house adjourned at 10.43 p.m.

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

DEPARTMENT OF TRANSPORT

A—Department—

Air services—

Meteorological division—

489. Administration, operation and maintenance, $6,963,110.

490. Construction or acquisition of buildings, works, land and new equipment, $557,500.

Civil aviation division—

491. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder, $998,050.

Airways and airports—

Operation and maintenance—

492. Civil aviation services, $9,262,302.

493. Airway and airport traffic control, $1,694,831.

Construction services—

494. Administration, $869,185.

495. Construction or acquisition of buildings, works, land and new equipment, including construction work on municipal airports, $10,737,291.

496. Grants to organizations for the development of civil aviation, in the amounts detailed in the estimates, $280,000.

497. Contributions to municipalities or public bodies for construction and improvements of airports on land acquired by such organizations, $93,300.

498. Contributions toward airport development and other airport projects on cost-sharing basis, in the amounts detailed in the estimates, $240,000.

499. Contributions, as specified in the details of the estimates, to other governments or international agencies for the operation and maintenance of airports, air navigation and airways facilities, including authority to pay the amounts specified in the currencies of the countries indicated, notwithstanding that the payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1954, which is, $259,340.

Administrative division—

500. Air services administration, $255,486.

B—General—

Air transport board—

501. Salaries and other expenses, including the Canadian delegation to the international civil aviation organization, $274,089.

Board of Transport Commissioners for Canada—

502. Administration, operation and maintenance, $952,030.

Canadian maritime commission—

503. Administration, $160,520.

504. Steamship subventions for coastal services, as detailed in the estimates, $4,147,725.

National harbours board—

505. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on any or all of the following accounts: Reconstruction and capital expenditures—Halifax, $989,500; Saint John, $1,815,000; Quebec, $1,365,000; Churchill, $900,000; generally unforeseen and miscellaneous, $200,000; total, $5,269,500.

*Less*—Amount to be expended from replacement funds, $387,000; $4,882,500.

506. To provide for payment to national harbours board, of the amount hereinafter set forth, to be applied in payment of the deficit (exclusive of interest on dominion government advances and depreciation on capital structures) arising in the calendar year 1954, in the operation of the Churchill harbour, $95,761.

Loans, investments and advances—

Transport—

Railway and steamship services—

542. Loans to the Canadian National Railways Company, on such terms and conditions as the governor in council may approve, to be applied towards the construction cost of a new dock and facilities at Bar Harbour, Maine, U.S.A., a terminal of the Yarmouth, Nova Scotia—Bar Harbour, Maine, ferry service, $1,000,000.

Air services—

543. To provide for the acquisition of land required to control properties in the vicinity of main terminal airports in order to prevent the erection of hazards to flying, and for future development of those airports, $1,000,000.

National harbours board—

544. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on any or all of the following accounts: Reconstruction and capital expenditures—Three Rivers, $380,000; Montreal, $3,558,200; Vancouver, $376,000, total, $4,314,200.

*Less*—Amount to be expended from replacement funds, $175,580; $4,138,620.

A—Department—

Air services—

Civil aviation division—

748. Control of civil aviation, including the administration of the Aeronautics Act and regulations issued thereunder—further amount required, $19,700.

Airways and airports—

Construction services—

749. Administration—further amount required, $101,640.

750. Construction or acquisition of buildings, works, land and new equipment, including construction work on municipal airports—further amount required, $187,984.

751. Contributions to municipalities or public bodies for construction and improvements of airports and land acquired by such organizations—further amount required, $86,000.

752. Contributions toward airport development and other airport projects on cost-sharing basis, in the amounts detailed in the estimates—further amount required, $2,000.

753. Contributions, as specified in the details of the estimates, to other governments or international agencies for the operation and maintenance of airports, air navigation and airways facilities, including authority to pay the amounts specified in the currencies of the countries indicated, notwithstanding that the payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of April 1954—further amount required, $347.

B—General—

Air transport board—

754. Subventions for air carriers, as detailed in the estimates, $20,000.

Canadian maritime commission—

755. Steamship subventions for coastal services, as detailed in the estimates—further amount required, $8,375.

National harbours board—

756. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on any or all of the following accounts: Reconstruction and capital expenditures—Halifax—further amount required, $550,000, Saint John—further amount required, $350,000; $900,000.

Loans, investments and advances—

Railway and steamship services—

764. Loan to the Canadian National (West Indies) Steamships, Limited, on such terms and conditions as the governor in council may approve, for the redemption of Canadian National (West Indies) Steamships, Limited, 25-year, 5 per cent, government guaranteed gold bonds, issued March 1, 1930, and maturing March 1, 1955, $3,600,000.

Air services—

765. To provide for recoverable advances to enable extension of the northwest communication system facilities between Edmonton and the Yukon-Alaska border, $31,000.

766. Loan to the Canadian overseas telecommunication corporation in accordance with the provisions of section 14 of the Canadian Overseas Telecommunication Act for additions and betterments to facilities, $683,561.

National harbours board—

767. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1954 on the following account: Reconstruction and capital expenditures—Montreal—further amount required, $600,000.

DEPARTMENT OF THE SECRETARY OF STATE

Office of the chief electoral officer—

55. Salaries and expenses of office, $59,442.

Civil service commission—

77. Salaries and contingencies of the commission, $2,300,379.

Public archives and national library—

A—Public archives—

350. General administration and technical services, $297,020.

B—National library—

351. General administration, $102,998.

352. Payment to the national library purchase account for the purpose of acquiring books, in conformity with section 12 of the National Library Act, $40,000.

Public Printing and Stationery—

353. Departmental administration, $557,882.

354. Stationery branch—operation of stationery stores, $418,145.

355. Printing and binding the annual statutes, $40,000.

356. *Canada Gazette*, $120,000.

357. Plant equipment and replacements, $341,773.

358. Distribution of official documents, $246,986.

359. Printing and binding of official publications for sale and distribution to departments and the public, $430,000.

417. Departmental administration, $262,619.

418. Companies branch, $81,495.

419. Trade marks branch, including a contribution of $2,400 to the international office for the protection of industrial property, $135,727.

420. Bureau for translations, $1,076,997.

Patent and copyright office—

421. Administration division, $84,835.

422. Patent division, $949,248.

423. Copyright and industrial designs division, including a contribution of $2,100 to the union office for the protection of literary and artistic works, $22,068.

728. Companies branch—further amount required, $9,500.

Patent and copyright office—

729. Patent division—further amount required, $43,200.

# HOUSE OF COMMONS

**Thursday, June 17, 1954**

The house met at eleven o'clock.

## EXTERNAL AFFAIRS

VISIT TO OTTAWA BY SIR WINSTON CHURCHILL AND MR. EDEN

**Right Hon. L. S. St. Laurent (Prime Minister):** Mr. Speaker, I think I should inform the house about the exchange of messages with London concerning the visit by Sir Winston Churchill and Mr. Eden to Washington at the end of next week. As soon as we heard that a date had been set for that visit we made inquiries through the office of the United Kingdom High Commissioner here in Ottawa and through our own High Commissioner in the office of commonwealth relations in London as to the possibility of their coming to Ottawa on the occasion of their visit to this continent.

Yesterday morning I received personally from Sir Winston Churchill a very cordial message in which he said he always enjoyed a conference in Canada but could not make any plans at the present time. Following that message I had this message sent to the Secretary of State for Commonwealth Relations of the British government:

> Having heard that Sir Winston and Mr. Eden are coming to Washington, my colleagues and I would like to assure them that, if it were convenient for them to visit Ottawa on their way back, they would be most warmly welcomed and that we would much appreciate the opportunity of hearing direct from them their appreciation of the present situation.
>
> I quite understand, however, Sir Winston's difficulty about making plans at present for such a visit and I would not like him to feel any embarrassment if circumstances made it necessary for him to decline our invitation at this time.

This morning I received this personal message from Sir Winston which I am glad to communicate to the house:

> So glad to get your telegram. I have every hope of coming to Ottawa for a day or a day and a half during the 29th of June, 30th of June and 1st of July, if it is convenient to you. Mr. Eden, to whom I have spoken, will be delighted to come too. I do not want any public meeting but we shall be honoured to meet your cabinet.

**Mr. Green:** May I ask the Prime Minister whether it would be feasible to have any sort of commonwealth conference at that time in view of the fact that Sir Winston Churchill will just have completed very important discussions with the President of the United States?

**Mr. St. Laurent:** I do not think so, Mr. Speaker. I think this means that we will have an opportunity of hearing from Sir Winston and Mr. Eden their appreciation of the situation as they see it at this time. There would be no opportunity for bringing representatives of other commonwealth countries here, and that would not conform with the tone of this exchange of messages. I understand the visit Sir Winston and Mr. Eden are making to Mr. Eisenhower is an informal personal week-end visit, and that Sir Winston and Mr. Eden hope that it may be possible for them, on their way back, to spend a day or a day and a half here having the same kind of informal discussions with us about the present situation.

## QUESTIONS

PROPERTY LEASES, C.B.C.

**Mr. Diefenbaker:**

1. In how many cases has the Canadian Broadcasting Corporation renewed its lease or signed new leases covering buildings and property, since the 1st day of January 1954?
2. Where were such properties located, what was the previous rental and what is the new rate of rentals?

**Mr. McCann:**

1 and 2. Since January 1, 1954, the corporation has arranged to continue occupancy of space at two locations. A lease for space at 660 Howe street, Vancouver, B.C., was renewed at the same rate of rental as under the previous lease. Negotiations have been concluded with local municipal authorities for a new lease for studio and office space occupied by station CBV in the Palais Montcalm in Quebec city. As already announced locally, the new lease is for 5,858 square feet at a rental rate of $8,000 per annum. The previous lease was for 4,600 feet at a rental rate of $2,500 per annum.

GOVERNMENT BUILDINGS—LABOUR RATES

**Mr. Hansell:**

On what basis, or what formula is used in determining rates of pay for tradesmen and labourers employed, irrespective of those in the armed services, where contracts do not apply, on buildings coming under the supervision of: (a) Department of Transport; (b) Department of National Defence; (c) Department of Public Works?

*Questions*

**Mr. Gregg:** The rates of pay of government employees so described is based upon surveys of wage rates paid, in the area of their employment, by private employers to employees engaged in comparable work.

## BUSINESS OF THE HOUSE

SATURDAY SITTINGS AND EXTENSION OF HOURS ON AND AFTER JUNE 17

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

That on and after Thursday, June 17, 1954, in addition to the hours of sitting as provided for in special order of the house made May 27, 1954, the house shall also sit from 7.00 o'clock to 8.00 o'clock, p.m., on each sitting day; and that on Saturday, June 19, 1954 and every Saturday thereafter, until the end of the session, the hours of sitting of the house shall in every respect be under the same rules as are provided for other days, and the order of business and procedure on Saturdays shall be the same as for Thursday.

**Mr. Gillis:** Mr. Speaker, may I ask a question arising out of this motion? I would like to ask the Acting Minister of Public Works (Mr. Harris) whether, in view of the fact that the extension of the hours of this house and the inclusion of Saturday sittings will mean that a large percentage of the employees of the house work 60 hours a week as against 38 hours a week in the ordinary civil service, what arrangements are being made by way of compensation for the extra time or for time off? There should be some.

**Hon. W. E. Harris (Acting Minister of Public Works):** I am not familiar with that matter, Mr. Speaker, but I will ascertain the answer and give it to my hon. friend.

Motion agreed to.

CONSIDERATION OF SENATE AMENDMENTS TO INCOME TAX ACT

**Mr. Harris:** Last night, in announcing the business for today, I omitted to include the amendments made by the Senate to the Income Tax Act. It would be greatly appreciated if, after disposing of the amendments to the Bank Act, we could proceed with the amendments to the Income Tax Act.

## POTATOES

REQUEST FOR CHANGE OF DATES FOR IMPOSITION OF IMPORT DUTY

On the orders of the day:

**Mr. Angus MacInnis (Vancouver-Kingsway):** I should like to address a question to the Minister of National Revenue. As I did not give him notice, he may take this question as notice and reply at a later date. Has the minister had from the British Columbia coast vegetable marketing board representations urging that the dates for the imposition of the import duty on early potatoes be changed because of the lateness of the season in British Columbia?

[Mr. Hansell.]

**Hon. J. J. McCann (Minister of National Revenue):** Mr. Speaker, the department had a message similar to the one which I am sure the hon. member has had, as well as other members, from the British Columbia district and have looked into it. The arrangement is a matter of international agreement, and the dates set are statutory so that they could not be changed at this time without negotiation with the parties concerned.

## THE BANK ACT

PROVISION FOR DECENNIAL REVISION, EXTENSION OF CHARTERS, ETC.—CONCURRENCE IN SENATE AMENDMENTS

**Hon. Douglas Abbott (Minister of Finance)** moved the second reading of and concurrence in amendments made by the Senate to Bill No. 338, respecting banks and banking.

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

## INCOME TAX ACT

CONCURRENCE IN SENATE AMENDMENTS

**Hon. Douglas Abbott (Minister of Finance)** moved the second reading of and concurrence in amendments made by the Senate to Bill No. 467, to amend the Income Tax Act.

He said: Mr. Speaker, perhaps I should give a word of explanation.

**Mr. Knowles:** And tell us what they are.

**Mr. Abbott:** They are routine in character. They were made at my suggestion. One relates entirely to the coming into effect of a section which increases from 20 per cent to 30 per cent the tax on shares redeemed at a premium. The section is a new one, as the house will recall. It was found that the date originally fixed for coming into effect would have adversely affected certain taxpayers and would have a retroactive effect which was not intended. That correction was made at my suggestion.

The other amendment was also made at my suggestion. It is a clarifying amendment to the section dealing with the mutual insurance companies and was to make it quite clear that the coming into effect section relating to the non-resident mutual insurance companies did not affect the resident mutuals. I can assure the house they involve no fundamental question of policy. They are matters as to which I think it was quite appropriate for the amendments to be made in the other place.

**Mr. Macdonnell:** In the circumstances, Mr. Speaker, in view of the ample assurance given by the minister that there is no question of policy involved, it seems to me that we have no other course to follow than to agree. But it seems to me that we are acting in haste when we are asked to agree to something which we actually have not seen.

**Mr. Abbott:** If there were any question of policy involved, we would not have made this request.

**Mr. Knowles:** In view of the fact that we have not yet seen yesterday's *Votes and Proceedings* which would tell us what these amendments are, may I ask if I understood the minister correctly when he indicated that there were only the two amendments?

**Mr. Abbott:** That is correct.

**Mr. Speaker:** Is the motion agreed to?

**Some hon. Members:** Agreed.

**Mr. Abbott:** I would perhaps clarify that. Perhaps there may be consequential amendments to the sections but the substance of the two amendments is as I have indicated.

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

## JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES

**Hon. Stuart S. Garson (Minister of Justice)** moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Judges Act to provide salaries for an additional judge of the court of appeal for British Columbia and an additional judge for the trial division of the supreme court of Alberta.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

**Mr. Fulton:** I think we should have from the minister an assurance that both these additions have been requested by the province concerned.

**Mr. Garson:** Yes; that is right. Indeed we cannot make the appointment until the provinces concerned have first created additional vacancies. Therefore in the nature of things they are bound to have been approved by the provinces.

**Mr. Green:** Is there any other amendment in the bill?

**Mr. Garson:** No.

Resolution reported, read the second time and concurred in.

*Judges Act*

**Mr. Garson** thereupon moved for leave to introduce Bill No. 478, to amend the Judges Act.

Motion agreed to and bill read the first time.

**Mr. Speaker:** By leave shall—

**Mr. Knowles:** Despite the simplicity of this bill I do not think we should pass too many things without at least having a chance to see them.

**Mr. Speaker:** When shall this bill be read a second time? Next sitting of the house.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF TRADE AND COMMERCE

Exhibitions—

*430.* Exhibitions generally, $325,962.

**The Chairman:** Hon. members will find the vote on page 57 of the blue book and the details commencing on page 493.

**Mr. Macdonnell:** I should like to ask the minister if he will make some comments on the trade fair. I remember that a year ago he gave us some interesting comments showing the extent to which the attendance had been by people from outside the country and inside the country. I should very much like to hear his assessment of it perhaps in that way and others this year.

**Mr. Howe (Port Arthur):** I am sorry to say that we have not the analysis of this year's fair at hand at the moment. But as far as exhibitors are concerned, slightly more than 50 per cent of the exhibitors were Canadian. In my opinion that is about the right proportion.

**Mr. Macdonnell:** Can the minister give a comparison with the figure for last year?

**Mr. Howe (Port Arthur):** It is about the same ratio as last year, in fact 52 per cent Canadian and 48 per cent foreign in both years. The attendance of buyers for the first week was a record. The second week was rather disappointing. There were not as many buyers in attendance the second week as we had hoped but, as I say, the first week was a record. We have made a careful detailed analysis of the results every year and we make up our minds from such analysis about the future of the fair. It has been announced that the fair will continue next year. Last year the total attendance of the business visitors, the buyers, was 26,853. This year it was 25,049. The number of buyers is down a little. As I say, the second week was disappointing. The decrease was in large measure

due to a drop in buyers from the United States. Last year we had 2,183 buyers from the United States and this year 1,839. But in general, we believe that in many ways this was the best fair we have ever had, and we are hopeful that next year will show an improvement in the attendance of buyers.

**Mr. Macdonnell:** Would the minister add a word as to the composition of the foreign exhibitors, whether they were pretty well identical with last year and whether there was any noticeable change in the nature of the exhibits that would indicate a change in trade trends.

**Mr. Howe (Port Arthur):** I am informed that the pattern of this year's fair was very similar to the pattern of last year's. There was no difference that would indicate a trend of any kind.

**Mr. Macdonnell:** For example, Germany and Japan?

**Mr. Howe (Port Arthur):** Germany and Japan were exhibitors last year and they were exhibitors on about the same scale this year.

**Mr. Nesbitt:** I think the minister is to be complimented on the very fine showing at the international trade fair. There is one question I should like to ask. Can the minister tell us whether or not there was a doctor on the premises at the fair?

**Mr. Howe (Port Arthur):** I am told that there was no physician there.

**Mr. Nesbitt:** That is my understanding, and in view of an incident about which I have been informed I suggest it might be a good idea in the future to have a doctor available on the premises rather than just the services of the St. John Ambulance people.

**Mr. Howe (Port Arthur):** I will be very glad to pass on that suggestion to the management of the fair.

Item agreed to.

Dominion bureau of statistics—
*435.* Administration, $198,949.

**Mr. Macdonnell:** I should like to have the minister say something about the dominion bureau of statistics. I have received great help from it myself and appreciate its value very highly. There is one thing, however, which has been mentioned in the house before.

**The Chairman:** Order. May I ask hon. members to please maintain silence. It is impossible to hear the hon. member who has the floor.

[Mr. Howe (Port Arthur).]

**Mr. Macdonnell:** I am speaking loud enough. The trouble is that other people are speaking too loud. I want to raise the question of the extraordinary discrepancy which exists between the figures put out by the dominion bureau of statistics, being a part of the Department of Trade and Commerce, and the Department of Labour in the matter of employment and unemployment. It seems to me to be obvious that unemployment is one of the most important matters which face us at the moment, and it seems an extraordinary thing to me that we have this terrific discrepancy in figures. It has been explained in a way but not in a way with which anyone in my opinion should be satisfied.

One department uses the phrase "persons without jobs and seeking work", and the other uses a different phrase which I forget for the moment. We get figures not varying by 10 per cent or 20 per cent but sometimes by 50 per cent or more. It may be satisfactory to the departments concerned. They may have their ways of making their own mental reservations and explanations, but surely it is entirely unsatisfactory from the point of view of the public. Certainly it is entirely unsatisfactory from the point of view of labour because it means that they never have firm ground on which to discuss the matter. It is one thing to discuss the question of unemployment with the government if unemployment is 10 per cent. It is an entirely different thing if it is 5 per cent.

Further, I have been reading in the *Labour Gazette* for April a very interesting article about seasonal unemployment. There is a long discussion there and some suggestions are laid down as to how seasonal unemployment shall be assessed. Of course seasonal unemployment is the reason that has been given for the situation, but we are now in June and I do not think that the defence of seasonal unemployment can be of any further value. I would ask the minister to give us a full explanation of why the difference does exist. I am not blaming the dominion bureau of statistics at all. I assume it is done under instructions because they have got to be given a policy in order to work out a figure. I assume they are under instructions as they quite properly should be. I understand for example that they do not include figures of people temporarily out of work; people who have been let out but with instructions that they are to come back at the end of thirty days.

But these people are certainly out of work at the moment, and I take it also that even if all of them go back at the end of thirty

days it is not reasonable to assume that the same thing has not happened to a lot of others in the interval. In other words, the thing rolls around. I understand that the Department of Labour does include those figures, and if they do I take it that is on the assumption that if you have tens of thousands of people temporarily out of work in May you are not going to find a situation in June where all those tens of thousands of people have come back and where no others are in the position that the first lot were in during the preceding month.

In other words, so far as my judgment goes, I find the figures of the Department of Labour very much more realistic than those of the Department of Trade and Commerce. I think we should try to get to the bottom of it because it is a very important matter. The minister accused me the other day of being a pessimist. I hope I am not. Pessimists are a nuisance to everybody, and I do not want to regard myself as being in that category. I want to be a little optimist, but on the other hand I cannot go around like some members of the house and, when I am asked the reason for my faith, just say: "Well, C. D. said so". There are a lot of people in the house who think that when they have said that, the matter is settled. To me that is a very important piece of evidence, but I do not regard it as absolutely the last and final word, not necessarily.

Therefore I hope the minister will have regard for my weakness, for my quality of optimism which is not so great as his and which wants to be optimism plus reason. I should like an attempt to be made, which I have not heard done before, to reconcile these two figures and to make sense of them because, as somebody said, at the moment there seems to be a kind of cold war between these two departments.

**Mr. Howe (Port Arthur):** I presume my hon. friend prefers the Department of Labour figures because they suit him better as a basis for argument, but he is really making an analysis of two different things. The Department of Labour figures show the number of people looking for jobs on a particular day. There would be no harm, and it would be quite in order for my hon. friend to go to the nearest labour office and put his name down as one seeking a job. He might find a better one than he has.

**Mr. Macdonnell:** Not after all we members have said about being fully employed.

**Mr. Howe (Port Arthur):** Probably the bureau of statistics would put him down as employed, even though he might be seeking a job. There, you have the situation.

**Mr. Knowles:** He is a sort of temporary permanent.

**Mr. Howe (Port Arthur):** Yes, quite right. We have a situation where people register for jobs while they are employed. We also have a situation where a man will retire from the railroad on a pension and then put himself down as seeking a job. Would you list him as unemployed? The bureau of statistics would refer to him as a man outside the labour force. He had retired. Nevertheless, the labour department would include his name as an applicant for a job.

I do not believe there is any harm in telling the house as a matter of interest that by arrangement with the labour department we had a survey made of a list of those applying for jobs as registered in the labour department. We did not inform the field men that there was anything particular about the list we sent down to them, but they thought the results were sufficiently odd to warrant a special report to the Ottawa headquarters. The report said that they found the list most extraordinary; actually over 50 per cent of the people on it were out of work, and they thought the department should know!

The labour survey is made on a scientific basis, and it follows the approved sampling methods of the bureau of statistics. Over 30,000 families are called upon each month, and it is a different 30,000 each time. A report is based on the findings of that survey. If the man is unemployed and seeking work on the day the survey is made, then he is registered as unemployed. A list is made up by expanding that sample survey to cover the working force of Canada. I may say that the bureau of statistics survey is much more complete than the surveys upon which unemployment figures are based in the United States. This survey of 30,000 out of a working force of 5 million is a very much larger sample than is used in the survey of unemployment in the country to the south. We believe the results are correct, so far as it can be determined by sampling methods.

**Mrs. Fairclough:** The minister has just explained that in sampling for the purpose of labour statistics different people are interviewed each time. I should like to make some representations to the department on behalf of a group of people who have found that they

suffer considerable inconvenience because of being on the list for sampling, and not being able to get off the list. I am not talking about labour statistics; I am talking about statistics that are sought from various industries through surveys by the bureau of statistics. I realize that when you seek to produce statistics by the sampling method you must select certain people out of each industry for which the survey is conducted who can supply you with the material.

The part to which I object is the fact that some small industries or comparatively small restaurants, with one or two persons in the office, are periodically required to make returns to the bureau of statistics. Despite the fact that they protest that their office staff is not adequate to keep this up indefinitely, they simply cannot get off the list. In some cases, it goes on for a long time. It does not seem right to me that a few people should be saddled with this job of providing statistics for the bureau, while a great many people in the country go scot-free. If you have a small office staff, it is an expensive procedure. It sometimes means you have to hire extra help in order to supply these figures. I am sure many of these people realize the importance of supplying the figures, but they do believe they are being discriminated against.

If they were put on the list for a year and then removed, there would not be too much complaint. However, when they are put on the list indefinitely and they realize they are being forced to supply information to the bureau that their competitor is not forced to supply, they believe there is just cause for complaint. I ask the minister, therefore, to inquire into this matter to see that some people are not forced to continuously supply information.

**Mr. Howe (Port Arthur):** I would say at once that any information that is gathered by the bureau is entirely confidential. Not long ago we had a case which may interest the house. We were asked by another government for information that the bureau of statistics had. We consulted the bureau, and they said we could not disclose it even privately to another government. It was gathered as private information and could not be released to anyone for any purpose, so the information was not given. There is nothing guarded more carefully in government circles than information gathered by the bureau of statistics.

Every effort has been made to cause the least possible inconvenience in obtaining the statistics that are considered necessary in carrying out the functions of the bureau. We have now on the questionnaire list business firms of less than $50,000 capitalization. The form for such companies has been simplified so that only one question is asked, and that is quite a simple one. In the case of labour statistics, if anyone objects to answering the questions we simply drop their name from the list and pick another name. I am told that the bureau receives remarkable co-operation from the public in gathering information, and finds very little resentment about giving the information that is required.

I must say I have received no complaints that I recall about any demand from the bureau for information. I am sure our chief statistician will keep in mind the suggestions of the hon. member for Hamilton West to make certain that sampling lists do not include the same name too long. I am told that is not the practice. The practice is, where sampling is performed, to change the lists frequently. I am sure the dominion statistician will look into the complaint and make sure the inconvenience is minimized to the greatest possible extent.

**Mrs. Fairclough:** The minister must have misunderstood me with reference to the first part of his remarks. I was not talking about the confidential nature of the reports at all. I was making, more or less, a representation on behalf of these small companies. I know, and the minister knows, that if you have a sizeable staff it is easy to juggle jobs around so that someone can compile these statistics. It is, however, a real hardship on the little fellow. Despite the minister's assurance, I know of a few cases where names have been on the list for a long time, and despite their protests. I take it that what is required is that they make a written protest, and their names will be removed, but that has not been the experience of some of these people.

**Mr. Howe (Port Arthur):** The head of the bureau of statistics tells me that he would like very much to have the names of those people, for his confidential guidance. Perhaps my hon. friend would pass those names along.

**Mrs. Fairclough:** I shall do so.

**Mr. Knowles:** May I join with the hon. member for Greenwood in paying tribute to the excellent job done by the dominion bureau of statistics. I have seldom if ever known an instance where the bureau was unable to supply information I have tried to get from them. In fact often when one seeks certain information he gets more than he asks for. In short, they do an awfully good job.

In this connection I was a bit surprised the other day to find that certain questions

I had placed on the order paper were answered by the parliamentary assistant to the Minister of Defence Production, apparently on behalf of the dominion bureau of statistics. They were questions relating to records concerning charges and offences under the Criminal Code. I fully expected my questions would be answered by the Department of Justice but, as it turns out, the answers were given by the dominion bureau of statistics.

Obviously the answers given by the bureau were somewhat limited. It was pointed out to me in the information I received that only such information as it is felt necessary to keep for statistical purposes is kept by the bureau. What I am saying, Mr. Chairman, is not by way of criticism of the dominion bureau of statistics. I had thought these records would be kept by the Department of Justice, but it appears that this is being done by the bureau of statistics.

I would hope that another look might be taken at the questions I put on the order paper to see whether the bureau might not enlarge the categories of statistics it keeps in relation to matters coming under the Criminal Code. Apparently the job is already being done by the bureau. This is just a suggestion that the field of information in connection with which statistics are kept regarding the Criminal Code might be enlarged.

**Mr. Howe (Port Arthur):** I am sure the dominion statistician will take note of my hon. friend's remarks, and do what he can to amplify his records.

**Mr. Robinson (Bruce):** Mr. Chairman, may I join with the other hon. members in congratulating the dominion bureau of statistics upon the job it is doing. I know, too, that they are always open to suggestions to improve their work.

I had the pleasure of attending the first trade fair held in Toronto, and also of attending the last. I was greatly pleased with each of them and must commend the minister upon the improvement that has been made in the fair in a short number of years.

My reason for speaking now is to suggest to the bureau that they make a survey showing the number of miles travelled by workers to and from their work, in the large cities, and another survey showing similar information for the medium sized cities and towns. I believe the information obtained would help us realize that centralization is not a good thing for the country.

A short time ago I read in the press the report of a speech made in Montreal, I believe, by the president of General Motors. In his speech he was chiding the highways department for not having better roads to assist labourers who travel perhaps 50 miles to and from their work. With all due respect for presidents, in this instance I begin to think that this particular president should be shown a few things.

My point is that in the smaller towns the workers have to travel only short distances, at the outside taking up perhaps only 15 minutes of their time. Walking to work they meet each other—"Hello Bill; hello Jack"—and it is not just a rat race such as we see in the larger cities. People working in those factories enjoy their work a great deal more than those who work in the city.

I believe if this survey were made it would enlighten us and would convince us that there should be more decentralization of industry, thus making everybody happy.

**Mr. Gregg:** Mr. Chairman, in view of what was said a short time ago by the hon. member for Greenwood may I take this opportunity to say just a word about the points he brought up, particularly considering the very fair way in which he dealt with the matter.

Prior to a year ago last fall in the Department of Labour we had been publishing every month figures showing the total number of those seeking employment across Canada. At and prior to that time we in the Department of Labour, as well as my colleagues in other departments, felt that although a true total of workers so listed was coming out of the adding machines in our U.I.C. offices it did not give a clear picture either in winter or in summer.

Consequently we had a very careful study undertaken. Part of that study included a cross-check in different parts of Canada referred to today by my colleague the Minister of Trade and Commerce. A check of listed unemployed was made to find out if they were actually unemployed. I must say when the results of that check came to my attention it was a surprise as well as a bit of of a shock to me.

Yet, Mr. Chairman, what was found is not surprising when we realize that in our 230 offices, particularly in the winter months when our staffs are busily engaged in interviewing applicants for work and looking after all those complex matters entering into the insurance plan, there is not the time for the staff to con over the lists of applicants to find out by telephone, by letter or by wire which ones may have got work somewhere else, which ones may be listed at other places, and all those pieces of information which would be necessary to strip the lists down to applicants still wanting jobs.

As a result of that, beginning a year ago December, I believe it was, it was decided that the quarterly announcement made by the dominion bureau of statistics should be enlarged and, if you like, sharpened up, and made into a monthly report based upon the survey the minister outlined a little while ago.

The suggestion was made that the results of that survey, with the new total, might be the only monthly total issued. My personal view was that it would be wrong to do so—and I still feel that way—because ever since 1941 the monthly list showing the total of persons seeking employment has gone out to the public. We have had that for every month. We have not had any other yardstick for every month, except the information we have had only since a year ago last December when the list was begun by the dominion bureau of statistics.

So it was decided in the middle of the winter a year ago last January to issue this as a joint release, providing for the public all the information we had on the subject, including the total number of persons seeking employment as of a given date. The one which will come out within a week will be as of approximately May 20, just as the one which came out around May 20 showed the total as of about April 20. In other words, the figures are about a month old.

Now, there is another factor affecting the total number who are seeking employment. Particularly in the winter months we have found in the cities and towns a keen interest on the part of everyone as to how the picture was going with regard to that city, town or province. By the very nature of it, the dominion bureau of statistics' plan is a nation-wide one, and so are the conclusions drawn from that. In the city of Toronto, for instance, the only indicator on the employment situation there today, as compared with three years ago this date, would be that very general one coming from the Department of Labour. I want to take advantage of being on my feet at this time to scotch completely a suggestion that has been made in some quarters that this combined release was over the dead body of the Department of Labour or the Minister of Labour. It was nothing of the sort. As a matter of fact it was we who suggested that the study take place and we have co-operated and will co-operate in every way to provide the best information we can. On the one hand, a careful survey is made by D.B.S., an agency of government that has had great experience and in which all the members have complete confidence; and, on the other, a simple total through U.I.C. of those who are applying at any given time.

I should like to tell the committee that if it is possible to narrow the gap or give more precise information, we will certainly do it. I can tell the committee that I have gone over the comparable reports which are issued south of the line from month to month, and I must say that the three or four that are produced there do not add any more precise information than we are giving. I am sure it will be realized by the hon. member for Greenwood that it would be impossible, even if you carried out a complete census in Canada, to say exactly how many men and women are unemployed on this 17th day of June. By the time the callers went around to the doors and found out, the figures for people behind them on whom they had called would be out of date before totals could be got. We have got to give the best information that can be made available.

**Mr. Mang:** I should like to ask a question on this item. To what extent does the bureau of statistics gather information in the rural areas of a province like Saskatchewan? The reason I ask the question is that in my area there was a man going around visiting ever so many farms. He called on the fourth or fifth one in the areas surrounding the villages, and he also made a canvass of the villagers in that area. He took one out of so many houses as he went down the street. To what extent is that being done throughout Saskatchewan? Those statistics were gathered from a good many people who would probably list themselves as unemployed on the farms because they were under the impression that if they listed themselves as unemployed they would get a job in town in the winter or in the logging camps, or something of that nature. That would affect the unemployment picture. They are not unemployed now of course. My reason for asking the question is to find out how that might influence the unemployment picture. Does the bureau of statistics have quite a group of men doing that type of work in Saskatchewan? The man I have in mind lives on a farm. From time to time he jumps in his car and goes around and gathers this information.

**Mr. Howe (Port Arthur):** I am told that we do make a survey of rural Saskatchewan. I am told that a man who is living on a farm which he owns is not counted as unemployed just because he is not as busy at that time of the year as he is in other times of the year. If he were away from home and working as a logger and were out of work as a logger, he would be registered as unemployed. In that class of labour, that shifts between the farm and the forest industry, there is bound to be a discrepancy in labour figures. In my own district many loggers live on little farms and

their business is logging. Nevertheless, if they are not logging at the time of the survey, they would be registered as unemployed in that area.

**Mr. Noseworthy:** Has the minister anything in the form of a break-down with regard to the amount of expenditure by the educational branch of the dominion bureau of statistics? Can he give me the number of people employed by that branch? I used to be in much closer touch with that branch before I came here than I have been since. My experience was that that was one branch of the dominion bureau of statistics which was financially undernourished. What is the situation at the present time?

**Mr. Howe (Port Arthur):** I am told that there is a new director of the educational branch who has just been appointed. A provincial conference has been held to get the requirements and the views of the provinces on the proper way to compile information. I am told that we are now in the process of expanding that branch to give complete coverage of that division of our statistics.

At the moment, eleven people are employed in the branch.

**Mr. Noseworthy:** Just one more question. Two years ago a good deal of consideration was given to the possibility of having some office, or someone in the educational branch of the dominion bureau of statistics, act as a sort of co-ordinator of information, or an information office for the various phases of educational work that is done by different departments of government. I realize that some publications are published by various departments of government that provincial departments of education might not be very anxious to have distributed within the schools because of the propaganda nature of the publication. But there is an immense amount of valuable factual material about Canada published by various departments of government such as the Department of Citizenship and Immigration, the Department of Trade and Commerce, the Department of Labour, the Department of National Health and Welfare, and a number of others that publish an enormous amount of material that would be almost invaluable in the schools.

When I was teaching, my difficulty was to find out from what departments this material was available and just what the material was. I know that for some time teachers' organizations have advocated the setting up of some central clearing house in the educational branch of the dominion bureau of statistics that could give to the educational workers and teachers across the country some guidance about material, for instance, from the film board or from any other department. Is anything being done along that line, or is each department simply producing material that lies in storage space until it becomes outdated and then is sent off to an incinerator or sold as scrap paper?

**Mr. Howe (Port Arthur):** Mr. Chairman, I am told that we have had several requests from the provinces along the lines suggested by the hon. member. The new director of the branch is studying the matter and it is believed that within limits we can give that service. All the provinces think it is a desirable service and attempts are being made to organize the bureau to provide it.

**Mr. Nesbitt:** Mr. Chairman, there are a few brief remarks I would like to make on this item. During the recent discussion in this house on Bill No. 7 dealing with the Criminal Code the question of death on the highways was discussed from time to time and some intimation was given that perhaps next session a further discussion of the matter of traffic fatalities and problems relating thereto would be undertaken. I believe the minister even intimated that there might possibly be some sort of conference with the attorneys general of the various provinces in view of the jurisdictional problems which arise relative to this question.

In view of the fact that the question of accidents and death on the highways has become increasingly grave in this country, I am wondering whether the minister might consider recommending to the dominion bureau of statistics that they compile more complete figures with respect to motor vehicle accidents and traffic offences throughout the country.

The figures we have at present in the Canada Year Book are meagre when one considers the magnitude of the problem involved, and though I realize it may be a difficult and expensive job in obtaining this information I think in view of the fact that this is such a major problem it might be well worth while.

For example, there is no break-down of the type of traffic offences. The Canada Year Book at page 304 gives by province the number of convictions against breaches of the traffic regulations, but it does not give any break-down of the variety of accidents, whether they are due to careless driving, speeding, failing to stop at a stop sign, or merely neglecting to have a licence renewed.

I think there might be other interesting break-downs such as the age groups of the persons involved in traffic accidents; and another and very important break-down would be one showing how many involve

repeated offences. Another break-down might be the number of traffic offences involving liquor, and how many accidents involve more than one automobile.

I would like to recommend this to the minister because I feel this problem will have to be considered either in this house or in conjunction with the various provincial legislatures, and in order to assess the problem and discuss it intelligently we will have to have a much better break-down than is provided by this department. I do not mean that as a criticism of the dominion bureau of statistics, but this important problem exists and must be faced and I think if we are to deal with it the bureau should attempt to expand its facilities in order to gather this information.

**Mr. Howe (Port Arthur):** Mr. Chairman, the bureau can only collect this information in co-operation with the provinces and only to the extent that the provinces themselves keep records on a reasonably uniform basis. I am told that a few years ago a conference was held with the provincial attorneys general, or members of their staffs, and an undertaking was given that statistics would be compiled in a manner in which they could be used by the bureau to compile a national record. However, that undertaking has not been carried out. I am informed that the estimates we are now considering provide for another meeting with the officers of the provinces, and another attempt will be made to obtain accurate and complete records kept on a uniform basis for compilation by the bureau of statistics. I am hopeful that we can improve the situation.

**Mr. Nesbitt:** Mr. Chairman, I am very glad to hear the minister say that because, for example, apparently there are no figures available for the province of Quebec, which in population is the second largest province, and without these figures we will be very much at a loss.

**Mr. Lennard:** Mr. Chairman, I would like to draw to the minister's attention two questionnaires which are handled by the customs and immigration officials at border points. One questionnaire deals with Americans or foreigners leaving this country and asks them how much money they have spent here, and it is very difficult for them to give an accurate estimate. The questionnaire has its nuisance value and it irritates. The other questionnaire is directed at Canadians re-entering Canada and asks a similar question. I would say that in about 80 per cent of the cases the answers are not correct. It is not compulsory to give an answer to this question and the persons involved do not have to supply this information. I know that in my own case on several occasions when I have been re-entering Canada and have been asked this question I have tried to answer correctly and I have later found out that I was very far short of the amount I had actually spent. For example, when you are motoring in the United States your gasoline and oil are checked against your credit card and you do not have to pay for them immediately. On another occasion Mrs. Lennard spent some money which I knew nothing about at the time. I might add that during rush periods where people are crossing the border in large numbers the officials do not have the time to be bothered asking these questions, and on other occasions I know that most of the answers are incorrect. In my estimation the department is not obtaining the information it seeks and the whole thing is a farce.

**Mr. Howe (Port Arthur):** Mr. Chairman—

**Mr. Knowles:** Tell us about Mrs. Howe.

**Mr. Howe (Port Arthur):** I am afraid I could not answer that question with regard to her expenses. However, I would point out that the tourists' expenditures are a very important item in the balance of payment figures. The bureau adopts the method which it believes is most likely to give fair results. My hon. friend from Wentworth might be under a bit in his estimation of the amount he spent but others might be boasting a bit and perhaps the average would be fairly close to the mark. I think we all realize the difficulty of getting absolutely accurate figures on tourist expenditures either in Canada or outside its borders. The bureau, in collaboration with the customs and other agencies of government, pursues every avenue that seems most likely to give reliable figures. The dominion statistician informs me that he believes that after all sources are used, the figures are reasonably accurate. In any event they are used in international trade references.

**Mr. Rowe:** They are only an estimate in any event.

**Mr. Howe (Port Arthur):** That is all.

**Mr. Hahn:** In connection with that same idea, may I ask if it would not simplify matters if, when you report you are going across the line, you were given a simple form which you could turn in on your return to the border. This procedure would facilitate not only the getting through of the individual who might have been across the line but also the work of the customs officials who already have it completed and have not 20 or 30 people rushing around them trying to get forms at one and the same time.

**Mr. Lennard:** I might say that such a procedure might curtail some spending on the part of visitors to Canada, if they thought they had to account for every cent they spent over here. We need their dollars.

**Mr. Howe (Port Arthur):** Yes. I think there are two sides to the question of the advisability of doing that. The matter could be looked into, to see whether that would help the situation. We always like to give the impression that Canada is a free economy, which it is, and to impress on visitors that this information is obtained only for statistical purposes.

**Mr. Hahn:** I am not getting at the fact that Canada is not a free economy. I believe these people who use the port of Blaine as an entry, or Douglas in our own case which is the name of it in British Columbia would not feel that way about it. What I am thinking about is this group which comes across the border on Sunday. We have possibly two or three miles of them. We have at Douglas an excellent staff which certainly gets them through as quickly as possible. When that zero hour, however, hits, it is difficult to get them through. We have many harassed individuals at the border wondering why they are not being permitted to go through more quickly, when all they have to do is to say "I have not bought anything", but you are just waiting in a long line while the other individuals who definitely want to give the information properly can be dealt with in the proper fashion. They would be only too hapy to fill in such forms. I meet dozens of them from time to time who say: If we just had this before we got to the border, we would not be spending half an hour around here trying to figure out exactly what we did spend.

**Mr. Howe (Port Arthur):** The dominion statistician now has the hon. member's suggestion. He says it is well worth looking into. I am sure he will look into it.

**Mr. Macdonnell:** I am sorry to be so, shall I say, stubborn. I notice that the minister was addressing two audiences in Montreal yesterday. I am sure none of them gave him anything like the trouble I am giving him. In fact, I have no doubt that they applauded him to the echo. I most certainly hope that what he said there is going to turn out to be correct.

I am grateful to the Minister of Labour for his contribution and for the spirit in which it was made, but I must confess that what the Minister of Labour said really underlined my trouble in this matter. As I understand it, we have two parallel lines—yes, they are parallel; parallel lines never meet—of inquiry going on. One is what you might call a scientific inquiry made by the dominion bureau of statistics. I presume that is a natural way for it to operate. But the other seems to me to be a much more human kind of inquiry. It shows the people who come in and say they are out of work and are seeking employment.

**Mr. Howe (Port Arthur):** They do not say they are out of work. They do not need to say they are out of work.

**Mr. Macdonnell:** The minister can correct me on that point, and I accept the correction. My point is that while the Minister of Labour has admitted that there may be errors, nevertheless when he talks about 230 separate offices which are trying to get a real picture of the situation, I confess I do not find it easy to wash out that error. If the difference between them were 10 per cent, 15 per cent or 25 per cent one would say: There is room for a margin of error. But I want to read the figures from last January. As I understand it, here you have unplaced applicants in January last, as the Department of Labour figure it, numbering 523,000 people. Persons without jobs and seeking work—that is the D.B.S. figure—number 280,000. There is nearly 90 per cent of difference if my pencil has not deceived me. It seems to me to be an extremely disturbing situation. I am not going to be cynical and say that it is convenient to have two figures when labour makes any complaint about the situation. I am not going to indulge in any talk of that kind. But to me it does not make sense that we can have these widely divergent figures. Let me ask one thing. Am I correct in understanding that this figure of 280,000 persons without jobs and seeking work does not include people on temporary lay-offs? Is that right? Will the minister tell me whether that is right?

**Mr. Howe (Port Arthur):** No; it is not.

**Mr. Macdonnell:** Then the minister will explain just why it is not right because I believe it has been stated in the house, and has not been denied before, that it does not include that figure. I will wait for an explanation of that. I am also wondering about this figure that I have now read. I am sorry not to have a more recent one; it is as far back as January. Perhaps we could get the corresponding figure for today or at any rate for a much more recent moment. I feel that this is an important matter. I earnestly feel that the present situation is entirely unsatisfactory.

I have one further thing to say before I sit down. After all, labour now has highly competent economists and statisticians who

follow these things. I believe that their figures are not to be lightly regarded. I further believe that they are of the view that the Department of Labour figures represent the situation much more realistically than do the others. It is easy to say. "Of course; they take the larger figure". That perhaps would be their tendency. But nevertheless they are not taking it blindly. I believe they are trying to assess things as well as they can. I believe that they believe that the labour figure gives a much more realistic figure. If it does so, I earnestly suggest to the minister that as to these two parallel lines, which are a fairly wide distance apart, it does not really make sense to let that situation continue.

**Mr. Howe (Port Arthur):** The trouble arises out of the fact that my hon. friend uses the "applications for employment" figures for purposes for which they were never intended. For example, I had a chauffeur about six months ago. He told me that he did not like living so far out of town and that he had applied to the Department of Labour for a job. I said, "That is fine". Then he said that he had a job and that he was leaving me. I said, "Are you going to leave that application in at the employment office?" He said, "Oh, yes; I might get something better." I saw him only two or three days ago. I said, "How are you getting on?" He said, "I like my job fine." I said, "Is your application still in at the employment office?" He said, "Oh, yes." There is no way of policing the fact whether a man who is applying for a job gets a job under his own steam or not. If he gets a job there is no compulsion to go back and take his name off the register. It is simply a list of people who say that they are available for work if a job is offered to them. If they are not available, of course, their names are struck off. There is another angle, as I said; for example people who retire from the railroad. They are entitled to certain unemployment benefits. They register as available for jobs and collect their benefits as long as they last. In most cases they would not take a job if it was offered to them. Nevertheless, if they do not apply, they are not entitled to the benefits.

**Mr. Knowles:** That should be corrected, should it not? If they were offered jobs and did not take them, their unemployment benefits would be cut off.

**Mr. Howe (Port Arthur):** Yes; that is true. But nevertheless until they are offered a job they are on the list and get unemployment insurance. There are many reasons why many more people apply for jobs than are represented by people out of work and seeking work. Take for example a man who is laid off for a week for one reason or another. Is he registered as unemployed? While he is unemployed in a certain sense, he would not take other work if it was offered him because he is going back to his old job. I think if my hon. friend pays strict attention to the labels at the head of these lists his confusion will be less acute than it seems to be at the moment.

**Mr. Macdonnell:** Worse.

**Mr. Howe (Port Arthur):** I am told that the new figures of those unemployed and seeking work will be out next Wednesday. We do not have the figures at the moment, but I am told that it is going to show a very remarkable drop in the numbers that were shown on the last report.

**Mr. Macdonnell:** I am not going to pursue the matter further. I am grateful to the minister for suggesting that I myself might seek useful work when I leave here, and that is an idea worth considering.

**Mr. Howe (Port Arthur):** You would certainly be registered on one list if you did.

**Mr. Macdonnell:** I merely wish to make a comment in answer to the argument which the minister has just made. If there are people on there who should not be, there are a lot of people not on there who might be, so that matter may wash itself out. But I still leave the comment that I hope these parallel lines will somehow or other meet, and I press it no further.

**Mr. Howe (Port Arthur):** I want to make it clear that they cannot possibly meet.

**Mr. Macdonnell:** Come closer together.

**Mr. Howe (Port Arthur):** Some classes of people are on the one list who are not on the other list.

**Mr. Barnett:** It appears to me that a further question is raised by the story the minister has just told us about the case of the chauffeur which might well be answered while we are on this point. It really has to do with the figures of the Department of Labour. How long is a name carried on the list of persons seeking employment after the last time that person reports to the office? I think that would be useful information to have while we are on this matter. If a name is left there indefinitely, obviously the lists might very well be far out of line.

**Mr. Gregg:** If an applicant comes in and says, "I have got a job", or "take my name off", that is that, and the same applies if he writes or informs the office in any other way.

In the smaller areas the offices can get bona fide information whether an applicant has a job. If so, they strike him off. With respect to the larger offices, it is not very often in the wintertime, as I pointed out earlier in my remarks, that the staff has the time to go through the list and strip out all those who they know are not in reality applicants for jobs. An attempt is made from time to time to keep the lists revised so that they will represent live applicants.

**Mrs. Fairclough:** I have one more request I should like to make which has to do with the publication of the consumer price index for the city of Hamilton. The bureau has been requested on former occasions to publish this index and has given what amounts to a reasonable explanation why it has not considered it necessary. But I should like to point out that it would be extremely valuable to industry and labour alike in Hamilton where so many wage contracts are negotiated and where the consumer index plays a very appreciable part. I ask the minister to ask the bureau to reconsider their decision in this matter and to include the city of Hamilton in the consumer price index publication at an early date.

**Mr. Howe (Port Arthur):** That matter has caused some concern. At the time the new price index was introduced certain labour contracts were based on the old index and we undertook to publish the old index for a year in the expectation that wage agreements would in the meantime be negotiated and established on the new basis. That happened except in the automobile industry, I believe, and we continued to publish the old index for a period beyond the year to suit the automobile industry. I believe that General Motors was the only one that had not transferred to the new index. However, it is my understanding that every wage contract in the country today is based on the new index, and I must say I have not had any request for the old index for some time. The publishing of two indices is expensive. At one time we considered making General Motors pay for publishing the old index but it was quite a sizeable bill and we decided not to do that.

**Mrs. Fairclough:** I did not ask for the old index. I asked that the city of Hamilton be included in the publication of the consumer price index.

**Mr. Howe (Port Arthur):** Oh, I apologize. The chief statistician says that he can probably do that. He will certainly look into the matter and, without making a definite commitment, I think it is probable it will be done.

Item agreed to.

Board of grain commissioners—

*438.* Administration, $179,361.

**Mr. Nicholson:** My question is hardly relevant but in view of the fact that the minister was absent yesterday afternoon on very important business I should like merely to ask a question without starting a debate. Could the minister state what the initial price for wheat will be for the 1954-55 crop? If he cannot state it this morning, I wonder whether he could do so before the end of the session. Could he also indicate whether all the 1953 wheat crop can be accepted at the present initial price? If he cannot make a statement now, I would appreciate it if he would do so before we finish.

**Mr. Howe (Port Arthur):** A good deal of point has been made that in other years we announced the initial payment early. We did that with the thought that it might influence the planting of wheat, oats and barley, that is, that it might influence the farmer as to how he used his cultivated land. We have always had in mind how we would like him to use his cultivated land. That is why we gave a guide. This year we do not have any guide. We thought that each farmer had better figure that out for himself. I must say I was surprised to find how few people seem to be interested in the views of the government on how they should use their land.

**Mr. Rowe:** The blind leading the blind.

**Mr. Howe (Port Arthur):** There is no purpose whatever in publishing that price today. It is not going to be used by anybody. It is not going to influence anyone's planting plans because they have done their planting or if they have not they have summerfallowed.

**Mr. Knowles:** They have got to do some of it over again, because of flooding.

**Mr. Howe (Port Arthur):** We are anxious to get all the information we can with a view to setting the initial prices as high as we think can reasonably be done. It is proposed to publish the prices towards the latter part of July so they will be effective on the first day of August. My hon. friend is only asking out of idle curiosity. It is not going to help anybody or hurt anybody or change anybody's plans.

**Mr. Nicholson:** In our part of the country there is a great deal of land they have not finished seeding yet.

**Mr. Howe (Port Arthur):** I do not think that would change their plans very much at this stage. They have probably bought their seed anyway. In any case, the initial prices will be published in advance of the time when they will be used. As far as the second part of the question is concerned, my hon. friend knows as well as I do that the present initial price will be paid on all grain that is delivered to country elevators before midnight on the 31st July, 1954.

**Mr. Rowe:** On that point I should like to ask the minister whether there are any signs that the uncertainty of government policy so far as announcing the price is concerned has encouraged summerfallowing.

**Mr. Howe (Port Arthur):** Well, I think the only man who is uncertain about government policy is my hon. friend. Certainly I am not uncertain about government policy. If my hon. friend will read *Hansard* carefully or attend and listen carefully there will be no reason, I think, for him to be uncertain.

**Mr. Rowe:** A lot of farmers are uncertain.

**Mr. McCullough (Moose Mountain):** In view of the statement the minister made in answer to the hon. member for Mackenzie that the initial price for the 1953-54 crop will be paid for wheat delivered up until the 31st July, I should like to ask the minister what will be the policy with respect to wheat on the farms after that date. He must know that many farmers will not have had the privilege of delivering equal quotas and that there will be a lot of grain left on the farms. What will be the policy in respect of wheat remaining on the farms on July 31?

**Mr. Howe (Port Arthur):** The wheat remaining on the farms on July 31, 1954, is no different from wheat remaining on the farms on July 31, 1953, 1952 or 1951. I will admit there is more of it, but there is always wheat remaining on the farms on July 31 of every year. The policy this year is going to be no different from the policy last year or the year before. If the hon. member will ask some of his friends who are farmers, they will be able to explain it to him in greater detail.

**Mr. McCullough (Moose Mountain):** I quite realize that, but the point is that this year the quota is going to be very low. I wonder whether the minister might state whether or not he expects the quota to be increased over the various provinces before that period.

**Mr. Howe (Port Arthur):** The quota is changed from time to time, and I expect that the seven bushel quota will be uniform across the country. I expect there will be changes in quotas. For instance, within the last week there was announced an additional quota of another three bushels of oats per acre seeded to oats. I am neither a prophet nor the son of a prophet, so I do not know what the demand will be for wheat from week to week. If there is a demand for a certain grade, there will probably be a special quota issued for that grade. Whether or not the seven bushel quota will be increased, I do not know.



**Mr. McCullough (Moose Mountain):** I should like to ask the minister a further question concerning the allocation of box cars. I have received representations from the various wheat pool organizations and from different elevator points in my constituency. Can the minister state whether or not the allocation of box cars is going to be made more satisfactory, so that the farmers may be able to deliver grain to the elevator of their choice? There seems to be quite a lot of resentment on the part of farmers that they are not able to deliver grain to the elevator of their choice, simply because of what they say is the discriminatory allocation of box cars.

**Mr. Howe (Port Arthur):** I am not sure whether or not my hon. friend attended the meetings of the agriculture committee. If he did, he heard this subject discussed for days by all the experts in the country. The farmers' organizations could not agree on the method they wanted used. I may say at the moment, and I am confining my remarks to the moment, the allocation of box cars is decided upon by the organizations themselves. For instance, if grain is needed, it is ordered forward so much from the Saskatchewan pool, so much from the Manitoba pool, and the pool itself decides what elevator will deliver that grain. I think that allocation has worked out very well indeed. The fact that we will be able to complete the seven bushel quota, and I think we will, is an indication that all the authorities, the transport controller, the board of grain commissioners, the wheat board and the elevator companies themselves, whether farmer owned or privately owned, have co-operated in working out the quota system in an equitable way and in working out the distribution of cars among elevators in a way that would make the distribution possible.

**Mr. McCullough (Moose Mountain):** I should like to make a brief statement taking exception to the minister's remarks to the effect that the allocation of box cars has been satisfactory. This would not seem to be in agreement with the letters that have

come to my office from various parts of my constituency. Only yesterday I had a letter from the local wheat pool at Creelman, indicating they are not satisfied at that point with the allocation of box cars. I should like to point out, Mr. Chairman, that under the present method of allocation of box cars the farmer is not allowed to deliver grain to the elevator of his choice. In Saskatchewan we have a situation where the farmers are more and more desirous of delivering their grain to the pool elevator system but are forced, because of the allocation of box cars, to deliver to the line elevator company. I do hope that next year we shall find the government taking steps to meet this situation, so that the farmers will be able to deliver their grain to the elevator of their choice.

**Mr. Harkness:** When the board of grain commissioners and the transport controller were before the agriculture committee, we were told that every effort was being made to allocate box cars to those points where the five bushel quota had not been filled, and particularly areas where there was a very large amount of No. 2 wheat for which there was difficulty in finding markets. I wonder whether the minister could tell us now if that plan has been successfully completed and all those points have now had their five bushel quota?

**Mr. Howe (Port Arthur):** Yes; I was advised last week that practically all the five bushel quota points have been cleared. Nearly every point in western Canada has completed its five bushel quota, and is working either on a six or on a seven bushel quota at the moment.

**Mr. Harkness:** There were a number of people about ten days ago, of whom I am aware, who had not been able to get in the five bushel quota because of the difficulty in the elevator over grades. They happened to have a grade of wheat which could not be taken in. Can the minister tell us whether any special allocation of box cars will be made in order to look after cases of that kind? I know there are a few.

**Mr. Howe (Port Arthur):** The elevators themselves can do that if there is a demand for a particular grade. If a man wanted to deliver, say, a third of a car of rye somewhere and the elevator is not handling rye, I think he might have difficulty in doing so. Generally speaking all except the odd lots are being taken care of. We did manage to move the No. 2 northern wheat, which was a problem. We found a place for that, and we are cleaning up the major problems across the prairies. There are minor problems with which I cannot deal, but with which I am sure someone will try to deal. It may be a little difficult and a little slow.

**Mr. Harkness:** I was not urging that the minister should deal with these things himself, but the board of grain commissioners and the wheat pool can deal with these problems. In view of the present situation and the difficulty farmers have had generally in securing cash because of the limited amounts of grain they have been able to deliver, and in view of the grade difficulties in particular elevators that have prevented some farmers from delivering their five bushel quota, it seems to me a particular effort should be made to ensure that enough grain is moved out of the elevators at these points to straighten out the problem. The farmer has nowhere else to go with his grain, and the man who has been unfortunate enough to have a grade that could not be delivered should not be discriminated against.

**Mr. Studer:** If I understood the minister correctly, he mentioned that elevator companies were apportioned the wheat board orders and then cars were allotted to the amount of those orders. Are those orders allotted to the various companies and the pool on the basis of a percentage of their past handlings or on the requirements of the wheat board at the moment?

**Mr. Howe (Port Arthur):** They are allocated on the basis of the wheat pool requirement. How the requirement is divided amongst the elevator companies, I am not sure, but I believe it is on some historical basis. The whole matter is being studied with a view to deciding on a method of allocation for next year and consideration will be given to the representations made in the agriculture committee. I would not care to say what the situation is at the moment, but I shall be very glad to give a report on it after the beginning of the next crop year, when the new system will be in force.

**Mr. Blackmore:** Mr. Chairman, for three days we had a long and thorough discussion of the problem of wheat prices. I am wondering if the minister would mind checking with me to make sure that I have gathered exactly the right picture as to the disparity between the condition of the American wheat farmer and the condition of the Canadian wheat farmer.

If I have the picture correctly, the American wheat farmer is practically sure of getting $2.21 a bushel. The move the United States made to increase her export subsidy by ten cents did not affect the American farmer's well-being at all. That is, he did not lose a cent. Any money that was lost would be lost

by the American people as a whole. In other words, the American people as a whole came to the aid of their farming population to the extent of ten cents a bushel, in order to enable the exporting of that wheat. Do I get the picture right there?

If I am wrong I hope the minister will check me up immediately because, although I thought I knew the exact situation before we began the discussion, I am not sure now that I have everything clear. But up to the present time my picture is correct, is it not?

Now, in Canada this is the position: In the first place the Canadian government, instead of making the decrease of 10⅛ cents a bushel apply only to what is exported, as the United States did, has made it apply to every bushel of wheat in the Dominion of Canada, whether sold for export or not sold for export. In other words the Canadian government has levied—and I think that is the kindest word I can use; there are worse words that come to my mind, such as "robbed" and two or three others—but they have levied on the farmers of western Canada the sum of 10⅛ cents a bushel on every single bushel of wheat the farmer has on his farm, in the elevator or anywhere else.

Now, that just is about the picture, is it not?

**Mr. Howe (Port Arthur):** Do you want me to answer?

**Mr. Blackmore:** Yes, I would like to have an answer.

**Mr. Howe (Port Arthur):** I have never known my hon. friend to be so completely wrong as he is on this occasion.

**Mr. Blackmore:** That is what I want the minister to straighten out.

**Mr. Howe (Port Arthur):** And I shall be glad to do it.

The position in the United States is that there is a support price for wheat. If a farmer can deliver his grain into approved storage—and there is an "if" there—and if he has not exceeded the acreage planted to wheat which he is allowed under the restriction of acreage regulations, he can borrow against that grain $2.21 a bushel. There are several "ifs" in there. As a matter of fact great quantities of free grain come on the market. They are sold by producers and are traded on the open market, and are at present selling for about $1.95 a bushel.

The millers buy their grain on the open market. They are paying about $1.95 at the present time for the grain they mill into flour, in spite of the fact that if the wheat can be put into approved storage the government will lend $2.21 on that wheat. Only certain wheat qualifies for the loan. But if it can qualify, then as I say the farmer can borrow that amount against it. It is an irrevocable loan, and if you just walk away and leave the wheat you have your $2.21. If the price goes up you can go and redeem the wheat by paying off the loan, and sell it for the higher price. That is the American system.

What has been the result? The result is that it has been exceedingly profitable for the big and highly mechanized farmer to produce wheat. You see plains in Texas which were never used for that purpose before, where the soil is not suitable for the growing of wheat but where, when fertilizers are used in great quantity, wheat can be grown. And they do grow wheat on those plains, and they get a very large production of a soft variety, which is not particularly suitable for merchandising. The effect of that policy is to bring in all sorts of marginal land which, on the basis of returns at market prices, would not warrant farming for wheat. That has been the effect in the United States, and we in Canada feel the brunt of that policy.

In Canada the government does not merchandise wheat. The hon. member says that the government takes away ten cents from the farmer. Well, the farmer never had that ten cents. The farmer grows the wheat and it is marketed by the wheat board. The commissioners of the wheat board are paid by the farmers, and the report is made to the farmers. The board is advised by an advisory board which contains representatives of various farm organizations, as well as representatives of the millers, and of the users of wheat. The board is a farmer organization created to market the farmers' wheat —and to market it to whom? To market it to everybody.

The government enters the picture when it provides financing for the wheat marketing operation. At the moment the government is guaranteeing something over a hundred million dollars in bank loans to the wheat board. It also does its best to find markets for wheat, and to create trade policies to enable markets to be found for the wheat. And, as I say, we are successful, in that, in every market of which I am aware, we have sold at least our usual proportion of the market. The difficulty is that this year, as a result of a good crop in Europe and the using up of reserve stocks, the total amount of wheat going into international trade is very much less than it has been for several years.

When the hon. member says that the government takes ten cents from the farmer he should keep in mind that the government

does not market wheat at all. The government does not have anything to do with it. It is the farmers themselves who are marketing their wheat produced in western Canada. I hope my hon. friend understands what I have said, although it may be too much to expect. But I hope he will not say again that the government is taking ten cents away from the farmers.

**Mr. Blackmore:** Probably the minister expects me to be a little more intelligent than I am, although I had thought I was fairly intelligent when it comes to understanding these things. It is just a matter of getting—

**An hon. Member:** Money.

**Mr. Blackmore:** Yes, money, the most important thing to understand in the world today. And, when you want to say anything, say it so I can hear it; don't murmur in your beard so we cannot hear what you say.

Nevertheless the move made by the government—and I think the Minister of Trade and Commerce himself was the one who announced the move—of a reduction of ten cents—

**Mr. Howe (Port Arthur):** May I set my hon. friend right on that?

**Mr. Blackmore:** Yes.

**Mr. Howe (Port Arthur):** The reduction in the price of wheat was announced by the Canadian wheat board at one minute past one on Monday, the market having closed at one. It was announced in Winnipeg; and next day I announced it in the House of Commons. So let us not say that I announce the price. I announce it only after the board has made an announcement. And I gave all that information to members of parliament so that our friends could rise and make eloquent speeches for their constituents.

**Mr. Knowles:** At what time did the minister know the board was going to make that announcement?

**Mr. Blackmore:** All this I greatly appreciate. The minister will realize that I did not make one of those speeches yesterday. I am seeking to get the exact facts so that everybody understands them. Then, after that, I shall make what I consider to be appropriate comments. Nevertheless the ordinary farmer producing wheat in the United States is able to store his wheat, as I understand. The minister spoke of approved storage. Have they a serious problem of approved storage in the United States?

**Mr. Howe (Port Arthur):** Very serious.

**Mr. Blackmore:** Quite as serious as the Canadian farmers have?

**Mr. Howe (Port Arthur):** Yes, just the same.

**Mr. Blackmore:** So that there is a vast amount of wheat still on the farms?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Blackmore:** And no payment possible?

**Mr. Howe (Port Arthur):** Oh well, they can sell their wheat on the Chicago grain exchange. They can do that. It does not require to be in storage for that. They just have to be prepared to deliver the grain when the contract calls for delivery.

**Mr. Blackmore:** On the Chicago grain exchange. Is the price on the Chicago grain exchange pretty well covered by this $2.21—

**Mr. Howe (Port Arthur):** No.

**Mr. Blackmore:** —effective guarantee?

**Mr. Howe (Port Arthur):** No.

**Mr. Blackmore:** How much does it fluctuate, in a general way?

**Mr. Howe (Port Arthur):** It is about $1.95. It has been as low as $1.92; it has been as high as $2.40 or $2.50, but at the moment it is about 26 cents or 27 cents below the loan value of the wheat, provided that you can deliver that wheat into approved storage and provided that your total acreage does not exceed the amount that you are authorized to plant in wheat under the department of agriculture regulations.

**Mr. Blackmore:** Then, if the farmer has played the game according to the rules, he has pretty well that $2.21 guarantee, I would imagine. What I am saying to the minister now is based on what I read in the newspapers in the west.

**Mr. Howe (Port Arthur):** It depends on what newspapers you read.

**Mr. Blackmore:** I read pretty well most of them. When I go into a thing I generally go into it. I am not just quite sure of this. I am sure the minister told us a number of things today that did not come out in any of the debate we had during the last three days, not that the minister was trying to conceal it in any way. At least, if these things came out I did not hear them. I am not quite clear about the farm storage. Is there any way in the world whereby farmers in the United States can have approved farm storage?

**Mr. Howe (Port Arthur):** A farmer can build approved storage on his farm, get it certified by the department of agriculture, and use it just as you can build a public elevator if you want to here in Canada and

get it licensed and you can store grain. That can be done on one side of the line just as well as on the other.

**Mr. Blackmore:** Does the United States government help the farmers with loans at reasonable rates of interest?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Blackmore:** Farmers who desire so to build on their farms?

**Mr. Howe (Port Arthur):** They have had programs of that kind. I think there was a program three or four years ago to assist farmers in building approved storage. We assist grain companies or groups of farmers to build approved storage; that is, to build public elevators in this country. We assist them by giving them accelerated depreciation.

**Mr. Blackmore:** Suppose that a farmer in a given area was unable to get his grain in a public elevator, shall we say, in the United States, and he desired to build approved storage on his farm. He is free to do that, and he would get assistance from the government to do that?

**Mr. Howe (Port Arthur):** I don't know.

**Mr. Blackmore:** I understand that something like that is the case at present, but one can never be sure when he is reading the newspapers. One can never be sure that they have just the right picture or are giving the whole picture. That is why I am asking the minister. My understanding is that there is a good deal of assistance given farmers in the matter of building on their own farms approved storage, and that once a farmer or a group of farmers in a neighbourhood have built an approved storage on their farms they can get $2.21 loan on their wheat and go on with the program that the minister has suggested. I am correct in that, now?

**Mr. Howe (Port Arthur):** Yes.

**Mr. Blackmore:** So far as my understanding goes, that is so. That means that practically any farmer or any group of farmers in the United States are able to obtain approved storage in which they can store their grain, thereby qualifying for $2.21 loan. I would be correct in assuming that from what I have read? Would the minister tell me if I seem to be wrong in that respect?

**Mr. Howe (Port Arthur):** If he can deliver grain into approved storage he gets the loan, as I understand it.

[Mr. Howe (Port Arthur).]

**Mr. Blackmore:** But my point is this. If there is no approved storage available nearby he can get money with which to build storage right on his farm?

**Mr. Howe (Port Arthur):** He can do that in Canada, too.

**Mr. Blackmore:** How long has it been since a farmer in Canada could get that kind of assistance from the government?

**Mr. Howe (Port Arthur):** We do not—

**Mr. Blackmore:** Where is the farmer in Canada who can build approved storage on his farm now?

**Mr. Howe (Port Arthur):** A great many farmers have built approved storage on their farms.

**Mr. Blackmore:** With government assistance?

**Mr. Howe (Port Arthur):** The government will assist at the moment by way of accelerated depreciation.

**Mr. Harkness:** What is meant by approved storage?

**Mr. Howe (Port Arthur):** The department of agriculture in the United States approved it.

**Mr. Harkness:** I am talking about Canada.

**Mr. Howe (Port Arthur):** In Canada it is licensed by the board of grain commissioners.

**Mr. Harkness:** I do not think the minister should say that any Canadian farmer can build approved storage, because there is no way of approving storage on his farm that I know of in the way of ordinary buildings or anything along that line. The minister is now talking about the building of country elevators.

**Mr. Howe (Port Arthur):** Certainly.

**Mr. Harkness:** That is a different thing altogether. The minister made one statement a little while ago that I really must take exception to. He said the wheat board was a farm organization. The wheat board is no more a farm organization than the board of transport commissioners is an organization of the employees of the railway companies. It is an agency of the government. It is set out in the wheat board act, and the members of the wheat board are not appointed by the farmers; they are appointed by the government. The policy followed by the wheat board is dictated by the government.

**Mr. Howe (Port Arthur):** Let us be accurate, Mr. Chairman. By what authority can the government dictate to the wheat board? Have you read the wheat board act?

**Mr. Harkness:** Yes, I have read the wheat board act, and I have also heard the evidence of the wheat board officials before the agriculture committee on several occasions.

**Mr. Howe (Port Arthur):** Can you quote that evidence? If you have heard it you must be able to quote it.

**Mr. Harkness:** Let me finish.

**Mr. Howe (Port Arthur):** Let us get the record clear as we go along.

**Mr. Harkness:** The record is absolutely clear, Mr. Chairman. There is no question about that. A while ago the minister said that the wheat board announced this price of a drop of ten cents a bushel but that policy I am quite sure was dictated to them by the government.

**Mr. Howe (Port Arthur):** You are quite wrong. My hon. friend is making a false statement.

**Mr. Harkness:** Have I the floor, Mr. Chairman?

**The Deputy Chairman:** Order. The hon. member for Calgary North has the floor. The hon. member for Calgary North will admit, as other hon. members would, that it has been the habit, particularly in committee, when one hon. member thinks that another hon. member has misquoted or misinterpreted, to rise immediately and endeavour to set the record straight. He can do that only with the permission of the hon. member who has the floor.

**Mr. Harkness:** The difficulty here is that I had not finished my statement, and the minister did not know what I was going to say. When I had made part of my statement he misinterpreted what I was saying and immediately rose to his feet and interrupted me. The point is this. I said that as far as this ten-cent drop is concerned the minister said the wheat board announced it at one minute after one o'clock, and then he announced it later in the house. I do not think he wants any of us to believe that he did not know anything about it until the wheat board announced it. As I say, as a matter of fact, I do not think there is any doubt about it, this was the policy which was adopted really by the minister and the government, no doubt on the recommendation of the wheat board.

**Mr. Howe (Port Arthur):** I have denied that and I deny it again.

**Mr. Harkness:** I do not doubt for a minute it was on the recommendation of the wheat board. As far as policy is concerned, as I say, in the meetings of the agriculture committee, the officials indicated very clearly that these policy questions are settled by the government. Every time a member asks questions of the officials of the wheat board, of Mr. McIvor or anyone else, which impinge on matters of this sort, the answer invariably is that that is a matter of government policy and they should direct such questions to the Minister of Trade and Commerce (Mr. Howe). They say that the government announces policy and that they cannot say anything about it. One gets that sort of answer in regard to any question about future prices, the likely initial price, or interim payments. To all questions of that sort you get the answer that it is a matter of government policy and the Minister of Trade and Commerce must answer such questions and it is not for the officials of the wheat board to make any statement in that regard.

In view of that situation I think it is ridiculous for the minister to come in here and try to persuade hon. members that the farmers' organization makes its own rules and decisions and it can do what it likes and do what the farmer wants done.

**An hon. Member:** One o'clock.

**Mr. Harkness:** As I have already indicated, the wheat board is an agency of the government and its policy is directed by the government, for it is the same as all other government agencies in which the policy is directed by the government.

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**The Chairman:** Item 438. Shall this item carry?

**Mr. McCullough (Moose Mountain):** Before this item carries I should like to ask the minister a question in regard to a Washington dispatch appearing in this morning's *Globe and Mail* where it indicates that the Eisenhower administration has apparently agreed to sell $1 billion worth of surplus farm products and in addition, according to the report, is intending to give away $300 million worth of surplus farm commodities. Does the minister care to comment on this dispatch, because apparently already the United States Senate has passed a bill which would provide for the disposal of $500 million of farm products. I should like to know whether or not the minister feels this will undermine the price structure of Canadian farm commodities and perhaps will necessitate a further decrease in the price of wheat to Canadian farmers.

**Mr. Howe (Port Arthur):** We have known about the contents of the bills that are before congress for a long time. They are not dissimilar to the provisions that are in force at the present time. Naturally we do not like give-away programs in other countries, but the Americans have used these programs with great discretion. I know of no serious result to Canadian agriculture from the operation of the bills up to the present time. That is all I can say.

I should like to say a word about responsibility for fixing the prices of Canadian grain. If my hon. friend will refer to the wheat board act, and will look at section 5 of the act with regard to sale and disposal of grain, he will find that in subsection 1 it provides as follows:

Subject to regulations, the board shall sell and dispose of grain acquired by it pursuant to its operations under this act for such prices as it considers reasonable with the object of promoting the sale of grain produced in Canada in world markets.

I hope that will dispose of that problem. The hon. member is quite right in one particular, namely that in fixing the initial price the consent of the government must be obtained because the initial price is a contract on the part of the government to pay that price throughout the year. In other words, it may involve the public purse. But the price at which grain is sold is entirely a matter for the wheat board and has been so treated by this government and, I think, all ministers of trade and commerce since I have been in the government; that is for the past nineteen years.

**Mr. Harkness:** Mr. Chairman, I cannot accept that as being the case. In the minutes of proceedings and evidence of the committee on agriculture and colonization this year, at page 19 we see this, as the minister says. We are talking about wheat policy:

Under the authority of the Canadian Wheat Board Act, 1935, as amended, the board administered an annual pool . . .

And so on. Then it goes on to say this:

By order in council P.C. 3381 June 23, 1952 (Canadian wheat board regulations) the initial price for wheat delivered to the board between August 1, 1952 and July 31, 1953 was established at $1.40 per bushel . . .

**Mr. Howe (Port Arthur):** That is exactly what I said.

**Mr. Harkness:** Yes; the minister says that is the case. Then he says they have got nothing to do with setting the price. The next thing it goes on to say is this:

Under order in council P.C. 3381 June 23, 1952 the board was required—

[Mr. McCullough (Moose Mountain).]

And I call attention to the words "was required".

—to sell wheat for domestic use at the same price as it sold wheat for export under the terms of the international wheat agreement.

In other words, under government policy, the board was required to sell wheat at this international wheat agreement price which at that time was quite a bit below the class II price for wheat or in other words, what wheat could be sold for in the open world market so far as there was an open world market. As a result of that, of course, the farmers in western Canada had to subsidize the price of bread in Canada to the extent of the difference from time to time between the class II price and the international wheat agreement price. That situation no longer prevails but it prevailed until a comparatively short time ago. It was done under an order in council and was part of government policy. That is just one example of how the price at which the board is required by the government to sell wheat works out.

As far as the general contention I make is concerned, I do not think there is any doubt about it that this is a government board. A number of us from time to time have argued that it should be a producer-controlled board. Without going into that matter at all, there is no question that it is not a producer-controlled board. It is a government-controlled board and naturally when the government decides a matter of policy, whether it is selling price or anything else, the board, if it gets its order to do this, that or the other, has to carry it out. I do not think there need be any argument about that matter.

**Mr. Howe (Port Arthur):** I can assure my hon. friend—I have already done so—and I hope he will take my word for it, that the board has never contravened this section of the act which provides that the board shall sell wheat at a price that they determine.

**Mr. Harkness:** Here is a specific case where it was required by the government to sell wheat at a price less than that which could otherwise have been obtained.

**The Chairman:** Shall the item carry?

**Mr. McCullough (Moose Mountain):** No, Mr. Chairman. I think that statement of the minister must be challenged. From what he indicated before the recess at one o'clock, I gathered that the Canadian wheat board carries out a policy in its own discretion, as one might say. I think we should have a clarification of that matter. I have always felt—and I believe it is agreed—that the Canadian wheat board follows out government policy. I should like an answer from

the minister as to whether it was not the decision of the Canadian cabinet that the wheat board would lower the price by 10⅛ cents on June 7. After all, as the hon. member for Calgary North has just stated, some of us think there should be more adequate producer representation on the Canadian wheat board. In my opinion it does not function as a producer board but rather functions as a board set up by the government to carry out government policy. I think I must challenge the minister on that statement.

**Mr. Howe (Port Arthur):** Mr. Chairman, I can answer categorically. The price of wheat was never discussed in cabinet. I myself happened to be in the southern United States just after the cut in the United States wheat prices took place, and I was told upon my return that the wheat board had also cut its price. That was the first I had heard of it. I assure you that the price of wheat is never discussed in council. If I am around, I am usually told in advance as a matter of courtesy. But certainly it is never a matter of government decision.

**Mr. McCullough (Moose Mountain):** I accept—

**Mr. Howe (Port Arthur):** Do not argue about that, because I have told you a fact.

**Mr. McCullough (Moose Mountain):** I accept the minister's statement, Mr. Chairman. However, I should like to ask him if the advisory committee which has been set up and which has among its personnel some what might be termed farm representation, convened or met when the Canadian wheat board lowered the price of wheat?

**Mr. Howe (Port Arthur):** No.

**The Chairman:** Shall the item carry?

**Mr. Blackmore:** No, Mr. Chairman. It is a fairly safe assumption, as the hon. member for Moose Mountain has indicated, that the farmers did not ask the wheat board to cut the price. Consequently, when the wheat board acted, it was not acting as an agent of the farmers, under the direction of the farmers. Well, if the wheat board acted upon its own authority and responsibility, then it acted on that responsibility realizing that in so doing it would be responsible to parliament through the appropriate minister who in this case is the Minister of Trade and Commerce. Can the minister tell me where there is anything wrong with that reasoning? I think he will have to agree that is absolutely correct.

When I first rose I asked if it were not true that the American farmer was getting $2.21 a bushel, that he was being helped by the people of the United States generally to the extent of 50 cents a bushel on all wheat going into the export market. The minister can hardly question the accuracy of that statement. Of course he went into a lot of details; but nevertheless, fundamentally and basically, without all the frills, that is a statement of fact.

**Mr. Howe (Port Arthur):** I can give my hon. friend a statement of fact. He did not mention the export market when he asked if farmers in the United States were getting $2.21 a bushel. If he had asked whether wheat going into the export market was subsidized to that extent, I would have said yes.

**Mr. Blackmore:** There must have been something left out in my wording because it certainly was in my mind to ask just that. What I wish to make perfectly clear to all the Canadian people east and west and in every direction, if it is not clear to them, is that the United States farmer is receiving essentially $2.21 a bushel for wheat while the Canadian farmer has now been cut to $1.72⅞ per bushel, if I remember the fraction correctly. Practically every person who has ever been in the United States knows that the cost of production is lower there than it is in Canada. Practically everyone knows that the cost of living, the cost of commodities generally, with some exceptions, is lower there than it is in Canada. That is all that is necessary to show what shameful discrimination has been practised against producers of wheat on the Canadian side of the line contrasted with what is given producers of wheat on the United States side of the line. That is the first matter.

I should like to go on to the question of keeping our price competitive. From what I have read it is true that all the farm organizations, all the newspapers in the west, the grain handling companies, wheat pools and others are behind the minister when he says that Canadian wheat must be kept competitive on the world market. The minister is backed by the people in that respect. I am not saying that is not necessary but I am going to raise this question. Suppose that all the wheat that Canada is going to sell in the next six months is 150 million bushels. I think the minister will be quite happy if he can sell as much as that. All that was necessary in order to keep the price of that wheat competitive was to provide an export subsidy of 10 cents or 10⅛ cents per bushel on that wheat. In other words, there was no

reason at all for cutting the price domestically in Canada or cutting the price of wheat in our elevators or on our farms. All we needed was to pay an export subsidy.

I wonder whether the minister would question that. If we had provided an export subsidy in the same way that the United States did we could have kept the price of Canadian wheat right where it was a month ago and could have still made our wheat as competitive in the world market as it is today. Is that not so?

**Mr. Howe (Port Arthur):** The government of Canada with the consent of parliament can give $15 million to any class of people it likes; but I cannot imagine just why it should give $15 million to people who, we were told in the house, are enjoying the most prosperous period in their history. We are told by our socialist friends that Saskatchewan, for instance, was never more prosperous, and I believe it. In my opinion that is a fact that does not need denying. Just why we would pick out the wheat growers of Saskatchewan to give $15 million of the taxpayers' money to, I do not know. Perhaps my hon. friend would elaborate on that when he carries on with his questioning.

**Mr. Blackmore:** Yes. The minister's hon. friend will elaborate on several things before he gets done. I am perfectly prepared to do so. I gather from what the minister said that if the Canadian government had seen fit to give an export subsidy of 10 cents a bushel on wheat going into export it could have kept Canada's wheat price competitive without lowering the price of wheat anywhere in Canada. I think the minister will agree with that. The question he raised was whether or not Canada could or should do it. I will deal with that in a minute, but let it be known and recognized throughout Canada that our wheat could have been kept competitive by an export subsidy which would not have had to be paid on the hundreds and hundreds of millions of bushels that are in store in Canada, but only on that portion going into the export market.

That is the first thing to get perfectly clear. If all our producers really realized that, I am not so sure that they would be entirely behind the minister's device in respect of keeping Canada's wheat competitive on the world market. I want to draw the minister's attention to this consideration: We have the Bank of Canada. The reasons for having the Bank of Canada are numerous, but I gather that money could have been borrowed from the Bank of Canada by the government to grant that export subsidy. It could have been borrowed at no cost to the government because even if it were borrowed at interest the interest paid by the government would have gone back into the Bank of Canada.

**An hon. Member:** Funny money.

**Mr. Blackmore:** Never mind a lot of nonsense! Remember, what we are doing now is not funny. By the time wheat goes away down in the price war with various nations of the world it will be anything but funny. Incidentally, is there any reason for calling Bank of Canada money "funny"? If there is, we had better revise the Bank of Canada Act. The point is that exactly the same money that is coming out of the Bank of Canada today would be used. Is there any reason why such borrowing could not have been done? If there is, let some of the wiseacres whom I hear having something to say get up and explain. Personally I think there is no technical or economic reason why that could not have been done.

**Mr. Howe (Port Arthur):** I think my hon. friend is perhaps the only man in Canada who understands this debt-free money. The rest of us think money is something that has to be earned, is hard to get and is a valuable commodity. My hon. friend does not think so, but I do not think we can settle that today.

**Mr. Blackmore:** You see, the minister is quibbling. He is trying to sidestep the issue.

**Mr. McIvor:** No.

**Mr. Blackmore:** The simple fact is that every dollar that comes out of the Bank of Canada in the regular way is a sound dollar according to Canadian standards. If the millions of dollars that would be necessary to provide an export subsidy on the price of Canadian exported wheat in order to keep it competitive in the world market were created by, and taken out of, the Bank of Canada, every dollar would be sound. I challenge the minister or anyone else in the house or in the country to prove it would not be sound.

**An hon. Member:** Oh, oh.

**Mr. Blackmore:** The hon. member is free to prove it and I will challenge him to prove it.

**An hon. Member:** Who?

**Mr. Blackmore:** Anybody, yourself or fifteen like you. This is the matter that faces us. This is the problem we have got to settle. It is just as simple as that. Now, we say that money has to be earned, and yet it must be granted that the banks create money! Surely, the minister knows that.

Certainly, he knows it, and for years and years in Canada when wheat harvesting and marketing time came, the banks were empowered to expand their money, to print $5 bills, $10 bills, $50 bills and $100 bills, to buy that wheat and put it into the export market. No one will question that who knows about banking at all.

**An hon. Member:** Carried.

**Mr. Blackmore:** I know the hon. member would like to see the item carried. He would like to get this hot potato off his hands. What has been the procedure for generations in this country could certainly have been employed in dealing with this matter of subsidizing exports and we would have been saved the enormous losses which have already been suffered in the last few days all across western Canada.

Now, the next thing I should like—

**Mr. Howe (Port Arthur):** I suggest that my hon. friend might take that considerably further. I do not see why he just associates that kind of money with wheat alone. Why not associate it with everything?

**Mr. Blackmore:** With what?

**Mr. Howe (Port Arthur):** With every transaction as well as wheat; why not remove the necessity for suffering or struggling or any cause for discomfort? Why not use this money created by the Bank of Canada?

**Mr. Blackmore:** Because the Bank of Canada could not safely create money beyond the productive capacity of the nation, beyond the goods and services that are in the nation.

**Mr. Howe (Port Arthur):** A man who does not work still has productive capacity. Why should he not be granted the benefit of this great discovery?

**Mr. Blackmore:** All of this is sensible questioning we will grant, but the simple fact is there are in Canada millions of people who are working and willing to work and who are producing goods in great quantity. They have produced so much we are now laying them off by the thousands and saying we do not need them any more. Let the minister answer that. Out in the west we have wheat to such an extent the government does not know what to do with it. There is no difficulty of getting the goods produced. The goods are right there, not only the wheat but a great many other commodities. Bearing that in mind there is just no way in the world of economically explaining why the Bank of Canada could not be used to pay such export subsidy on Canadian wheat as will enable the government to keep it on a competitive basis in the world market.

There is one more thing I wish to mention, and that is the matter of farm storage and the payment for wheat stored on the farm. I have said already—in fact, I think I will read what I said in the committee concerning what I think of the government's policy in dealing with wheat this year, and what I think of the wheat board—that the wheat board, in my opinion, has done a magnificent job. Here are my words, as I read them from page 140 of the minutes of the agriculture and colonization committee of this year:

> Even if it were, what would it indicate? I think personally that while it is fine to be critical, it is fine to be appreciative. As far as I am concerned I think that the wheat board has done a magnificent job.

Now, that is what I said about the wheat board. Two pages later on I made this statement:

> When I said a few minutes ago that I thought the wheat board had done a magnificent job, I did not mean by that that I expressed approval of the way the government has managed the wheat situation in the west this year.

Then farther down, I said:

> Under the conditions that now prevail, what the government has done in making farmers provide storage at their own expense and then hold the grain with no reward whatsoever, and in preventing them from receiving the money that they have already earned 18 months ago, is simply an outrage which cannot be expressed.

I just wanted to make that quite clear. A few minutes ago I think it was made quite clear that in the United States any man who desires to provide acceptable farm storage on his own farm can obtain money to do so and receive $2.21 a bushel for his wheat. If a similar privilege were extended to Canadians, you would find acceptable storage on a large percentage of Canadian farms and payment to farmers for wheat stored on farms and we would soon have a recurrence of prosperity in the country.

Where would the money come from to enable the farmers to build those bins and to be paid for that wheat therein stored? There is no reason under the sun why that could not come out of the Bank of Canada. When the minister thinks he can explain that away, and not just try to laugh it off or quibble it off, but explain it in a genuinely responsible manner such as we have a right to expect, then we shall be getting somewhere. Why could the Bank of Canada not be used to finance the building of suitable storage on the farms of western Canada to enable the farmers to receive the $2.21 or, in Canada, the price prevailing on June 6? We have not asked for as much as the United States farmer receives. But perhaps our farmers could receive the price prevailing in August of last year.

I hope that is fully understood. No matter how any person may be disposed to look at the problem now, I ask him to contrast the possible effect of these measures I suggest in Canada with what might happen if you had a genuine price war. Remember, the Argentine has been subsidizing wheat export for some time. The United States gave as a reason for her move the fact that the Argentine was subsidizing many of her farmers' exports. Where does the Argentine get the money to subsidize exports for her farmers, when Canada cannot? It was said to be a fact that she was selling so much wheat in foreign countries, the United States was forced to do something. Just suppose that continues? Australia has already lowered her price. And suppose this price cutting practice extends all over the world. Suppose Russia enters the field and begins to subsidize grain so as to put it on the export market? This thing could go on until the price of wheat went down to $1.25 a bushel or some similar price. Just imagine what that could do to the Canadian economy, if it goes farther than that, as it could very well do, with the world wheat supply in surplus. Those are things which we have to bear in mind before we decide whether or not the government has adopted a wise policy.

Having said that, Mr. Chairman, I shall leave the rest to the future. No one except the people in this house, so far as I know, and certainly no one in western Canada has anything but the gravest anxiety over this whole situation; the effect which a fall like that could have on our industry all through Ontario and Quebec is a terror to contemplate.

**Mr. McCullough (Moose Mountain):** I should like to comment on the statements made by the minister, particularly the question as to why the Canadian government should pay a ten-cent subsidy to western farmers at a cost of somewhere around $15 million. I believe that such a statement might well provoke a 40-minute speech from a member coming from the prairies. However, I just want to say that this problem has been debated for the last two days, and I have no intention of reiterating what I said during that debate.

The minister said also that those of us coming from Saskatchewan have intimated that we have had one of the highest periods of prosperity in our history. Well, that is probably true, but in the last two years our cash income from agriculture in the prairies has decreased by some 30 per cent.

**Mr. Howe (Port Arthur):** Where, in the prairies?

[Mr. Blackmore.]

**Mr. McCullough (Moose Mountain):** In addition to that we have had a situation where the farmer's costs have been going up and his cash income has been going down. We have not the complete picture for the last year, in the fiscal period ending March 31, but I am sure when the information is available we will find again that the cash income to the agricultural producers has decreased. Nevertheless I do point out that the western farmers during the period of control, when we were selling to the wheat board after 1943, could have enjoyed higher prices, but were content to take the stabilized price for wheat. And we have always agreed to that sort of bargain. We do not want high prices, but we do feel that when there are large stocks of wheat, then the producers in western Canada should be protected.

Then I might say the minister's statement that the wheat board operates and sets policy without consultation with the government will be found nothing less than completely astounding not only to Canadians generally but to western farm organizations who have always felt, I believe, that the wheat board did operate under and carry out government policy.

**Mr. Howe (Port Arthur):** Just to keep the record straight I might say that last year the returns to the farmers of western Canada for wheat, oats and barley were the highest in history.

**Mr. Harkness:** Mr. Chairman, I cannot allow to go unchallenged the minister's statement that the farmers of western Canada are better off now than ever before. The Minister of Agriculture made that statement in a long and specious speech in which he tried to substantiate it, when his estimates were introduced. That statement is not correct. All we have to do to show that it is not correct—that, indeed, the very reverse is true—is to look at the budget figures produced by the Minister of Finance. If we turn to page 3760 of *Hansard* we find that the net income received by farm operators from farm production in 1951 was $2,142 million and that in 1953 it was $1,642 million, or an even $500 million less than in 1951.

**Mr. Howe (Port Arthur):** Does my hon. friend suggest he is referring to the prairies?

**Mr. Harkness:** This is for all the farmers in Canada; but there has been a bigger loss on the prairies than there has been in the eastern part of Canada—

**Mr. Howe (Port Arthur):** That is your statement.

**Mr. Harkness:** —so far as farming is concerned. In 1952 the net income was down to $1,909 million, which is exactly $267 million more than was received last year, in 1953. In other words, in one year—1953—the farmers were worse off to the extent of $500 million, or roughly 25 per cent, than they were in 1951, and $267 million worse off than they were in 1952.

Since that time the price of grain has been going down. There is no question that the returns to farmers this year will be considerably down from the figure of $1,642 million last year. Therefore any statement that farmers in western Canada are better off now than they have ever been before is absolutely ridiculous, and the figures put out by the Minister of Finance show that it is ridiculous.

The Minister of Trade and Commerce has used as his authority for the statement something said by the Saskatchewan government. Any statement made by the Saskatchewan government—made, no doubt, to boost their position with the people of Saskatchewan; made, in other words, for political reasons—is about the worst argument the minister could use to support a statement in the House of Commons. I am surprised he would use it in trying to support a completely untenable position.

**Mr. Quelch:** Mr. Chairman, I notice that the federation of agriculture for the three western provinces has asked the minister to make a statement with regard to the initial payment. Perhaps I should read what appears in the *Manitoba Co-operator*. It says:

> The federations of agriculture of the three prairie provinces June 9 asked the federal government to indicate immediately that Canada does not intend to participate in a "fire sale" of wheat. It can make this clear to the world, the federations believe, by making an immediate announcement that the initial price for the 1954 wheat crop will be maintained at $1.40.

Does the minister consider that there would be any objection to making a statement of that kind? It would certainly relieve the anxiety.

**Mr. Howe (Port Arthur):** I replied to that wire from Mr. Ball, although I forget exactly what I said. My hon. friend perhaps was not in his seat this morning when I explained in some detail why it was not wise to make a statement at this time. Seeding is already or shortly will be completed. It would not influence planting, and I think it is in the interests of the producers to be sure that as many as possible of the facts are in the hands of the government before initial prices are set. Nothing will be gained by setting a price before midnight of July 31, 1954; but we intend to set a price before then. The later we wait, the more facts we will have to give us a basis for that price.

**Mr. Ferguson:** I have listened to the debate which has taken place in the last two days. I hope this is not a repetition of the old familiar music that preceded what happened after 1930 in the Dominion of Canada.

On every hand we have an abundance of everything. People want to work, and they are willing to pay. They are willing to give service for what they receive. During the war we spent hundreds of millions of dollars for munitions. Today we have an abundance of wheat we do not know how to dispose of. The province of Ontario is teeming with foodstuffs in all the fields, east, north and south. Our cattle are standing up to their knees in lush pasture. Beef prices have dropped by 35 per cent. People are unemployed across Canada. The shipyards at Collingwood and at Midland are virtually closed down. What is the cause of all this?

Let us pray to God that what we are seeing now is not a repetition of the thirties. Let the Canadian people dispose of their heavy surplus, rather than let it rot and deteriorate. We threw our munitions away; we got rid of them, and put them to the use we thought was proper. Let us give some of our surplus away to a starving world. Let smiles come to the faces of Canadians when they think of their action in disposing of their surplus. Let them do something of which they can be justly proud. There are people who need these foods we have in such abundance.

Our trouble in Canada is that of getting rid of what we produce. How the communists must smile when they look west of the iron curtain to the North American continent! How they must smile when they see us sitting here in parliament, worrying and fretting about how to keep our people going in all walks of life! This applies not only to the western wheat farmer. Surely the simplest method in the world would be to get rid of that surplus for the benefit of those who need it, and get back to a position where we can produce again from the fertile land with which God has blessed this country.

Item agreed to.

Canadian government elevators—

*440.* Operation and maintenance expenses, $1,380,542.

**Mr. Green:** Would the minister explain the situation at the port of Vancouver in two particulars. When he spoke on February 18 outlining a change in the price of wheat it was indicated that the price at Fort William-Port Arthur would be lower than that at Vancouver. One of the arguments he used in

support of that policy was the fact that the port of Vancouver was working at full capacity. As reported at page 2197 of *Hansard* we find him saying—

While the port of Vancouver has been working to full capacity—

And so on.

When he had completed his remarks I asked him whether the government had in contemplation any extension of the grain handling facilities at Vancouver. His reply was as follows:

I have had no information of any contemplated increase in facilities.

Yesterday I asked the same question of the Minister of Transport when a vote for the national harbours board was under consideration. My question is reported at page 6087 of *Hansard*. I asked this question:

Then I understand the board is making no recommendation whatever for any increase in grain handling facilities at Vancouver; is that right?

Mr. Chevrier: There has been no recommendation made to me for that purpose.

From these two answers I take it that there is no intention of increasing the grain handling facilities at Vancouver at least in the near future. I believe that the people of that city are worried about that fact, particularly in view of the statement made by the minister in February that the port was being worked to capacity. Mind you, there were expressions to the contrary by different people on the coast, but I am not in a position to know whether the minister's statement is entirely accurate or not.

That brings up one other question I would ask him to deal with today. I refer to this new policy of setting a different price at Vancouver from that at Fort William and Port Arthur. In answer to a question asked on March 1, which is to be found at page 2520 of *Hansard*, the parliamentary assistant set out that this policy of having an equal price on the west coast and at the lakehead had been effective from September 27, 1943, to February 16, 1954, which of course was the date on which the minister announced the change in policy. On the coast we have always understood that it would be set government policy to maintain the same price both east and west; but when the minister was questioned on it on February 22, as found at page 2303 of *Hansard* he said:

The purpose was to equalize prices at destination—

In other words, no longer at Vancouver and at Fort William and Port Arthur, but at destination.

—and that will be the purpose in the future.

I should like the minister to make it clear today whether or not that is government policy; whether this new course is to be followed in the future. I believe there has been some decrease in the difference between the two prices since the change was made in February, but we should like to know whether the government intends to follow the plan of keeping equalized prices at destination rather than at Vancouver and at the lakehead.

I point out to the minister that it is a much longer haul from the west coast to the United Kingdom. It takes far longer to get the grain around, and that of course is a handicap for us. It is very difficult for anyone on the west coast to see any justice in fixing a lower price at Fort William and Port Arthur than is set at Vancouver. To us it looks like a pretty clear case of discrimination.

I hold in my hand an editorial from the Vancouver *Sun*. The *Sun* of course is a Liberal paper. The minister smiles. As it happens, I have to run in the city where the *Sun* is published and at election time it certainly is a strong government supporter. I must admit that it is an outstanding paper, one of the finest papers in the country, and is not afraid to take a stand against the government when it thinks the interests of Vancouver are at stake. That has been its history as long as I can remember and I give the paper great credit for it. Here is this editorial in the issue of February 19, 1954. It is headed:

Wheat price-rigging aimed to kill port grain trade.

Incidentally, all three Vancouver papers have come out and have taken the same stand on this question.

The *Sun* detects an eastern conspiracy to deprive the port of Vancouver of its geographical advantages in the grain trade. We call upon the provincial government and every business organization in British Columbia to demand redress.

Right Hon. C. D. Howe told the Commons yesterday—

This was the day after the minister's first announcement. I continue:

—that the federal government has cut the price of grain at lakehead and east coast ports "to equalize grain movements".

In plainer language this means that the government is rigging prices to divert business away from Vancouver. Prices will remain high enough at Vancouver so that it will no longer be cheaper to ship from here by water than to pay high freight rates on the long rail haul to the eastern seaboard.

Commons heard Mr. Howe explain that the United Kingdom has been buying all its wheat at Vancouver and shipping it through the Panama canal.

Obviously the federal government couldn't fill in the Panama canal—so it's done the next best thing. It's made a price differential in favour of the east to enable the United Kingdom to buy at Montreal or Halifax at the same delivered cost. And get quicker delivery too.

This is just about the most barefaced piece of discriminatory manipulation that could be conceived.

These are pretty hard words from a friend. I continue:

Why in the name of a united nation shouldn't Vancouver be permitted to perform the economic job for which nature fitted her?

Then the *Sun* went on to deal with those statements that no more grain could be handled at Vancouver and therefore the price had to be lowered at Fort William and Port Arthur so that the over-all sales of Canadian wheat would not be kept down.

The *Sun* puts no credence in the excuse that "Canada has been losing business because Vancouver shipping facilities were plugged."

If that was the real reason the government could easily remedy it. It could instruct the national harbours board which runs the port of Vancouver, to build enough facilities to handle the traffic. Perhaps some artificial stimulation of the eastward business might be justified in the interval while the unplugging was proceeding. But that would have been a temporary measure to ease a temporary difficulty.

The government doesn't contemplate that at all. Mr. Howe says not a word about increasing the handling capacity of this port and not a word to suggest that the discrimination isn't permanent.

The Vancouver *Sun* worked and fought for twenty years to develop Vancouver as a world grain centre.

As a matter of fact it was many years before the people on the west coast could persuade the rest of the Canadians that wheat could be shipped through the Panama canal.

**Mr. Howe (Port Arthur):** I was not one of them; I was building elevators there in 1916.

**Mr. Sinclair:** And good elevators, too.

**Mr. Green:** I hope the minister will now be able to persuade his colleagues in the government to get back to the policy of having the same price at the two points.

**Mr. Macdonnell:** The minister did not discriminate against Fort William.

**Mr. Green:** I continue:

We were among the first to recognize Burrard inlet as the natural funnel through which must flow the produce of Alberta and western Saskatchewan farms.

We were told that wheat going through the Panama canal would be ruined because it was down near the tropics, and all this sort of bunk, in order to prevent the wheat being shipped from the west coast. I continue:

Now that the prosperous trade has been built up Vancouver simply can't permit the flow to be dammed at its source either by eastern influence or at the caprice of a government wheat marketing monopoly.

The wording of that editorial of course is very strong, but it represents the feeling of the great majority of the people on the coast, no matter what their political allegiance may be.

If this policy of setting a different price at Fort William and Port Arthur as compared with Vancouver is merely temporary, then I can see not a great deal of reason to complain. But what does worry me is whether or not it is to be the permanent policy. It seems to me that if this is to be permanent policy it fails to take into consideration the fact of the longer time required in getting grain from the west coast to the United Kingdom, which is a drawback in the minds of the buyers in the latter country, and it fails to take into consideration the geographical facts of this nation. The original policy, I think, was the correct one. The price should be the same at Vancouver and at the lakehead. I hope the minister can assure us that that policy is to be continued and that the change made this spring was only of a temporary nature. Perhaps the minister can deal with the two points I have mentioned.

**Mr. Howe (Port Arthur):** Mr. Chairman, my hon. friend is entirely confused. The present policy at ports is covered by legislation as provided in the Canadian Wheat Board Act. It provides that the initial price for the delivery of grain at Fort William, Port Arthur, Vancouver, and Churchill will be the same. That covers the price on the delivery of the farmers' grain to the ports only. There has never been a policy of selling at the same price out of these ports. Those selling prices have always been different and the difference has been the amount the traffic would bear and it relates to the competitive price of wheat out of these ports.

At the time we revised the wheat price there was a premium of ten cents per bushel on barley out of Pacific coast ports, and whenever Churchill opened we got a very substantial premium on wheat out of the port of Churchill. Usually we made an adjustment on wheat when a premium was warranted and we would hold the price at Fort William and put a premium on at Vancouver. Since we had been selling heavily out of Vancouver which is a port where grain can be handled for transit for a much longer period, we did not think the condition of the market was such that it would warrant putting a premium on at Vancouver and charging that premium on the sale of wheat to Japan and South American countries.

We felt that the demands of the market were such that a cut in price at Fort William, holding the Vancouver price steady, would be the best way to make an adjustment, rather than to hold the price at Fort William

and put a premium on the grain out of Vancouver, although one is much the same as the other.

I know of no continued policy for the selling price of wheat out of these various ports in Canada on a uniform basis. I know that the delivery price of the farmers' grain to these ports is uniform. That is provided in the wheat board act. But certainly the same shipping price out of these ports is not warranted. Let us suppose that we make Vancouver the only port and say that Fort William and Port Arthur are obsolete, and we move all the wheat through Vancouver. What would be the effect on the producers? At the present time the producer in Regina is paid an initial price of $1.40 less freight to Fort William. If Fort William was closed he would be paid the initial price less the freight to Vancouver, which would be a very much larger deduction. Now, let us take the situation at Winnipeg. The initial price there would be $1.40 less freight to Vancouver, which would certainly eat up the 40 cents and probably a bit more. We are accepting eastern grain at Vancouver at the present time to relieve congestion, but normally we cannot accept grain at Regina for shipment to Vancouver at a price based on the Fort William delivery of $1.40 less freight. We cannot accept grain on the basis of Fort William and then ship that grain to Vancouver at a very much higher freight rate. It may be good for the producer at Vancouver but it certainly is not good for the producers as a whole to sell grain at a price that is not warranted by the physical facts.

My hon. friend will therefore see that the only practical way in which to market wheat in Canada is to use all the ports based on the greater return given to the farmer and to prevent that return being swallowed up in freight rates. It is necessary to keep the ports competitive. They always have been kept competitive and they cannot operate otherwise. As long as we have a condition in this country under which it is to the advantage of the buyers abroad to buy all the grain out of one port, then we will have to sell all the grain out of one port and be prepared to make uneconomic hauls inside Canada. There is an extraordinary situation this year and because of that the people of Vancouver are complaining they are being discriminated against, but they have handled 25 per cent more grain through their port than ever before in history. If that constitutes discrimination, then it is a very strange form, and if I were a Vancouverite I would hope that that kind of discrimination would continue.

[Mr. Howe (Port Arthur).]

**Mr. Green:** I would like to point out to the minister that I think he is in error about the amount of grain handled through Vancouver. I believe they have handled more this year than last but I do not believe it equals the record of grain handled in the best crop year.

**Mr. Howe (Port Arthur):** Oh, yes.

**Mr. Green:** That is not the information I have. It is higher than it was last year but at one time the port of Vancouver handled over 100 million bushels.

**Mr. Howe (Port Arthur):** This year it has already handled 100 million bushels, which is 25 million bushels ahead of last year, at this time, and this year they will handle at least 135 million.

**Mr. Green:** Well, if they do handle 135 million that will not be anything like double—

**Mr. Howe (Port Arthur):** It is not enough? Tell that to the C.C.F.

**Mr. Green:** The minister should not get annoyed and try to kick me around, because I will not take it from him. He can try it on some other hon. members. I am asking questions in a perfectly—

**Mr. Howe (Port Arthur):** You are making statements.

**Mr. Green:**—straightforward manner, and I do not intend to be kicked around. That is not the way we make progress in this house. On February 18 the minister said this, as reported at page 2197 of *Hansard:*

> It has been our policy to price our wheat for export the same at all three points.

That was a statement of policy made by the minister. The minister walked into this house with a written statement and it therefore was not a case of speaking off the cuff.

**Mr. Howe (Port Arthur):** What is the date?

**Mr. Green:** This was a statement made by the minister on change of price on February 18 of this year. He read that statement to this house.

**Mr. Howe (Port Arthur):** What was the date?

**Mr. Green:** February 18, 1954, at page 2197 of *Hansard*, and the part which I have quoted will be found in the second paragraph. The first half of the paragraph reads as follows:

> The new prices that have been issued do not really represent a lowering of the prices. We have three marketing points. One is Vancouver, another is Fort William-Port Arthur and the third is Churchill. It has been our policy to price our wheat for export the same at all three points.

Either the statement the minister made then was wrong or the statement he made

today is wrong, and I would like him to clarify the situation because this is of vital importance to those of us who represent the west coast. I would like to know from the minister which statement is correct.

**Mr. Howe (Port Arthur):** I have found the reference and it must have been in relation to the current period and not over the years, because we have had premiums on wheat out of Vancouver. We have had premiums on wheat out of Vancouver because we could sell it higher at Vancouver than out of Fort William. That has happened within my recollection. I think that what that statement refers to was that at that time we were selling wheat at the same price out of Vancouver. Although strangely enough there was a ten-cent premium on barley shipped at that time out of Vancouver. As I mentioned, there was a correction. There is no seven cent spread today. The price has been adjusted in order to make the wheat from the two ports competitive in the British market.

**Mr. Green:** Well, that is why I think it is unfair. The wheat legislation all refers to prices at Vancouver or at Fort William-Port Arthur.

**Mr. Howe (Port Arthur):** These are the farmers' prices.

**Mr. Green:** That can be found throughout all the legislation. It has always been the same and on the same basis the minister's parliamentary assistant, in giving the written answer to which I referred, confirmed the policy contained in the minister's statement on February 18. The parliamentary assistant to the minister, in giving the written answer to which I referred, confirmed the policy which I read from the minister's own statement of February 18. These were the questions asked by the hon. member for Assiniboia and the answers given:

> Wheat—Prices at Vancouver and Fort William
> Mr. Argue:
> 1. When did the Canadian wheat board first establish the price for wheat at Vancouver on the same basis as at Fort William-Port Arthur?
> 2. Has the wheat board selling price for wheat basis Vancouver exceeded the selling price basis Fort William-Port Arthur?
> Mr. Dickey:
> 1. September 27, 1943.
> 2. Yes. Since February 16, 1954.

So the minister's own department has given an answer that there has been a difference in the price only since February 16 of this year, two days before the minister made his statement. Obviously the policy has been changed. The minister may speak about the premium on barley—I do not know anything about that—but so far as wheat is concerned, the policy of this government has been that the price should be the same at these two exporting centres. I hope the minister can assure us that that will continue to be the policy once this temporary difficulty is over.

**Mr. Howe (Port Arthur):** The explanation is that the date he has given, namely, September, 1943, was the date on which the wheat board took over all stocks of grains in Canada and sold them as stocks owned by the compulsory pool. At that time wheat was at the maximum under the agreement. We could not sell above the price in the agreement to agreement countries. We were selling higher to class II countries. If he would look at class II prices at that date, he would find that there was a premium. But selling at the maximum rate under the agreement, wheat could be sold at either port regardless of the differential in freights and otherwise. That is the reason why the price was held. When we came off the ceiling, when wheat was no longer competitive at the ceiling, then we had to make the ports competitive in order to allow them to function. I think that is the explanation.

**Mr. Green:** From now on the price is not to be kept the same at Vancouver and at the lakehead?

**Mr. Howe (Port Arthur):** Not necessarily. The price will be higher at Vancouver or it probably will be higher if ocean freights go down; or it may be higher if ocean freights are very low, as they are today. In any event, it will be competitive so that grain which normally moves on a freight rate favourable to Vancouver will continue to be sold from the port of Vancouver, and vice versa.

**Mr. Green:** What about the grain handling facilities in Vancouver?

**Mr. Howe (Port Arthur):** Vancouver is a port open the year round. It does not require great storage facilities. I should like to see another few million bushels of storage there, although this year—which, as I say, has been a record year for the port of Vancouver—we have had no difficulty at all with storage. The purpose of additional storage would be to take care of slides in the mountains or interruptions of transport in one way or another. However, our stocks at Vancouver have been kept steady, at least about 12 million bushels. Normal stocks in Vancouver are about 8 million bushels, which is a good cushion having regard to the business we do there. At the moment there seems to be no present need for additional capacity at Vancouver.

**Mr. Harkness:** The minister stated that the price which it was laid down in the grain act—I think it is in the wheat board act—should be the same at all three ports, is the price paid to the farmer. Actually, however, the price paid to the farmer is the Fort William price less the freight.

**Mr. Howe (Port Arthur):** No, no.

**Mr. Harkness:** It is certainly the case in Alberta.

**Mr. Howe (Port Arthur):** No, no.

**Mr. Harkness:** When I take my grain into the elevator—and it has always been that way—the price I receive is the price minus the freight to Fort William. That is the price to the farmer. That has always been the case. They never take off what the freight is to Vancouver. It is the Fort William price minus the freight to Fort William. In other words, the whole thing is directed in the way of Fort William-Port Arthur and it works to the advantage of the Manitoba and Saskatchewan farmers as compared with the Alberta farmers, actually.

The minister said that if you had the price the same at Vancouver and you took the freight from some place in Manitoba or in eastern Saskatchewan off that price, these people in Manitoba and Saskatchewan would be at a great disadvantage or that they would suffer. That is quite correct. But that is the position we in Alberta have been in right along. Our natural shipping point is Vancouver. I do not think there has ever been any year that all the grain we produced in Alberta went to Vancouver. As a matter of fact, from the cost point of view I think the breaking point is somewhere along the Alberta-Saskatchewan border. It is cheaper to ship from that point east. It is cheaper to ship to Vancouver from approximately the Alberta-Saskatchewan border or a little way inside Saskatchewan. For all Alberta and a small part of western Saskatchewan it is cheaper to ship west. Nevertheless, not all of the grain by any means in that area has always gone to Vancouver. A good deal of it has always gone east. As I say, the price that the farmer receives in Alberta is the Fort William price less the freight. If we could get the Vancouver price less freight we would always have been better off. As I say, the thing has always been pointed in the direction of Fort William-Port Arthur to the disadvantage of Vancouver and to the disadvantage of the Alberta farmers as compared with farmers in the other two prairie provinces.

**Mr. Nicholson:** Mr. Chairman, I think my hon. friend will find that he is wrong. If he is in the area where there are preferable rates to Vancouver, his grain will have the advantage of that lower rate, even though the grain goes to Fort William. During the war years when there was not so much grain moving to Vancouver, the grain in western Alberta was sold on the basis of the freight rate from the shipping point to Vancouver, even though the grain went to Fort William. The minister earlier included Churchill with Fort William, Port Arthur and Vancouver, as I understood him. There is on the order paper Bill No. 441, which I understand the minister is not supporting and which would put Churchill in the same position as Vancouver, Fort William and Port Arthur. I wonder whether the minister would be good enough to check his remarks when he is reading to see whether he said that—

**Mr. Knowles:** Maybe the minister has changed his mind.

**Mr. Nicholson:** —or whether he just anticipates that Bill No. 441 is going to pass so that the farmers in the area where there is a preferred rate to Churchill would be in the same position as are the farmers in western Alberta who have the advantage of the lower rate from the shipping point to Vancouver, even although the wheat may go to Fort William or Port Arthur.

**Mr. Howe (Port Arthur):** My hon. friend has scored twice. He has pointed out an error on the part of the hon. member for Calgary North and he has pointed out an error on the part of the Minister of Trade and Commerce. Of course the price at any point in Alberta is based on $1.40 less the freight to Vancouver.

**Mr. Harkness:** Then I have been badly gypped every time I have sold grain.

**Mr. Howe (Port Arthur):** Grain shipped to Churchill is subject to the Fort William price less freight. We have debated that point here. Churchill is not a delivery point. If wheat were selling at the maximum, we could not get more for wheat than the maximum under the agreement. We could not get more for I.W.A. wheat at Churchill than we are getting at Fort William or at Vancouver. But the price of grain in the country is not based on the Churchill price. My hon. friend is quite right.

**Mr. McIvor:** I can see a considerable change coming. When the St. Lawrence-great lakes waterway is opened Vancouver will have to look out.

**Mr. Quelch:** I wonder whether the minister can tell us what the effect of the 7-cent cut was upon the competitive position between

Canada and the United States of America? In other words, could that have had any effect upon the United States of America making a reduction of 10 cents?

**Mr. Howe (Port Arthur):** The American prices at their ports were out of line as were ours. When we cut the Fort William price 7 cents, they cut the price delivered at a few ports along the Atlantic seaboard, possibly New York and Baltimore.

**Mr. Quelch:** That is at the time we made the 7-cent cut?

**Mr. Howe (Port Arthur):** That is right.

**Mr. Nicholson:** Would the minister explain why Canadian wheat via the St. Lawrence was quoted on the Baltic exchange at £28.10s.2d. compared with £27.14s.6d. via Vancouver? Can the minister give any reason why on the Baltic exchange in London the price of Canadian wheat via the St. Lawrence should be roughly a pound higher?

**Mr. Howe (Port Arthur):** The price at Vancouver in spite of the cut, which is now 6 cents, is still a more attractive price if shipped from Vancouver, but there is a time element that more or less balances and then there is a slight difference in the quality of the wheat, Manitoba wheat as against Alberta wheat.

**Mr. McCullough (Moose Mountain):** What government elevators at the lakehead are loaned or rented to private companies? Can the minister give us some details as to the contracts with these companies, the revenue received and the reason why the government does not operate these elevators under government control?

**Mr. Howe (Port Arthur):** There is only one elevator owned by the government at the lakehead which is leased to private interests. That is the government elevator near the boundary between Port Arthur and Fort William. It is in Port Arthur. The reason it is leased to the private trade is the old matter of diversions. The government had no country elevators, no collecting points for grain for its own elevator and to get grain it had to pay diversion charges to country elevator interests that were in a position to supply grain. It was found more profitable for the government, and there seemed to be no purpose in doing otherwise, to lease the elevator to a grain company that had its own system of country elevators, and that has been done. It has been leased for the past twenty-five years, I believe.

**Mr. McCullough (Moose Mountain):** Would the minister indicate the name of the company and the revenue received?

**Mr. Howe (Port Arthur):** The McCabe Grain Company. The lease is for ten years. The basic fee is $75,000 a year. In addition, the lessee has to pay a quarter of a cent per bushel on the excess over 9 million bushels received, the lessee has to pay 7·6 per cent on capital expenditures, the lessee has to provide the insurance, the lessee has to pay taxes, rates and assessments and the lessor has to pay for maintenance expenses.

**Mr. McCullough (Moose Mountain):** The answer of the minister would seem to indicate that the construction of this elevator by the government has not on an amortized basis brought in any revenue or that the contract is one resulting in a profit to the government. Is that true?

**Mr. Howe (Port Arthur):** The elevator was amortized years ago. It was built in 1913, over forty years ago. It is the first elevator I ever worked on. The simple fact is that in recent years the government was never able to net as much as $75,000 a year by operating the elevator on its own account.

**Mr. McCullough (Moose Mountain):** At this period in our history we are making certain efforts to safeguard our people and our economy in case of a future war. We are spending a lot of public money on civil defence, and in my opinion, inasmuch as it would be one of the main things that would affect our people, perhaps attention should be given to the distribution of storage of our Canadian wheat. When I think how vulnerable we would be with the government having only three main storage centres for our stocks of wheat it seems to me rather important that consideration be given to storage by the government in various sections of the country. If the government has given any consideration to the matter, would the minister comment on the feasibility of large storage on the prairies under government sponsorship or ownership. My mind goes back to what we sometimes term the hungry thirties when we had to ship back to the prairies seed and feed for our livestock, and I suggest that it would seem to be rather important that the government should give consideration to this matter.

**Mr. Howe (Port Arthur):** The government of course has government-owned storage on the prairies. It has 5½ million bushels at Saskatoon, 5½ million bushels at Moose Jaw, three or four million bushels at Edmonton, about the same at Calgary and a couple of million bushels at Lethbridge. But the fundamental fact is that storage is storage no matter who owns the wheat. I do not know that grain stored in a government elevator is

any more valuable than grain stored in a private elevator or any less liable to damage. With all the precautions that Canada can take by way of civil defence, I think diversity of grain storage is almost completely taken care of by the present situation. Grain is stored everywhere. You could knock out any large section of the country and it would not make the slightest difference. It might make the burden of the wheat board a little easier, but that is about all. I suggest that is not a problem at the moment.

**Mr. Harkness:** I note that there was an excess of revenue over expenditures in the neighbourhood of $280,000 to $290,000 last year with respect to the government-owned elevators. Can the minister tell us what the revenues were from the elevators operated by the government and what they were from the elevators leased by the government? How many elevators does the government now operate through this branch? Is it two or three?

**Mr. Howe (Port Arthur):** The board of grain commissioners operates elevators at Prince Rupert, Saskatoon, Moose Jaw, Edmonton, Calgary and Lethbridge.

**An hon. Member:** Churchill.

**Mr. Howe (Port Arthur):** Churchill is not operated by the board of grain commissioners. It is operated by the national harbours board.

**Mr. Harkness:** Its revenues do not enter into this picture?

**Mr. Howe (Port Arthur):** Not Churchill.

**Mr. Harkness:** You operate six?

**Mr. Howe (Port Arthur):** Yes. We made $200,000 odd out of six elevators. If we had seven we would have made another $75,000.

**Mr. Harkness:** How much of the profit came from the six elevators operated by the government and how much from the ones they lease?

**Mr. Howe (Port Arthur):** There is $75,000 from the one leased and the balance of the profit comes from the ones we operate.

**Mr. Harkness:** That is a profit of about $200,000 from the six you operate.

**Mr. Howe (Port Arthur):** Yes.

**Mr. Regier:** I listened with a good deal of interest to what the hon. member for Vancouver-Quadra had to say, and I have also followed this matter with interest for a good number of months now. I am afraid that to the people of British Columbia this issue will still be about as clear as mud. It is as muddy as are the waters in many of the eastern Canadian rivers. We have a great deal of

[Mr. Howe (Port Arthur).]

respect for our responsible elected public officials at home, and when city councils, aldermen and so on express their opinion that this is a measure of discrimination we have to pay a good deal of attention to them. I regret that the reply we have thus far received has not convinced me, and I am sure has not convinced British Columbia, that this is not a measure of discrimination.

It is very well known from one end of Canada to the other that the most expensive way of moving Canadian wheat to world markets is via the great lakes route. The hon. member for Fort William assured us a while ago that all this would be taken care of after the St. Lawrence seaway was built.

Many of us out west are really wondering whether this is a measure designed to tide over eastern shipping interests until the great St. Lawrence seaway is completed. Over the past number of years we have seen a reduction in the ocean-going rate. The farmer of the west fought a long and hard battle to find an alternative route by way of Hudson bay, and then saw the efforts of the government directed towards not using these money-saving facilities. When world events and conditions now make it less costly to ship our grain through west coast ports to the markets of the world, again the government hand moves and uses its influence and power to force grain to go by the more expensive eastern route. The people of western Canada are not going to be satisfied until they receive a clear explanation. I sincerely hope the minister will be able to make a much clearer public statement.

I may be dumb, but I do know that the city council of Vancouver is not dumb. The city council of Vancouver has publicly stated that in their opinion this is a measure of discrimination against the shipping facilities that now exist on the west coast.

Item agreed to.

Canadian government elevators—

*441.* Construction or acquisition of buildings, works, land and new equipment, $299,000.

**Mr. Harkness:** I notice that this item is for the construction and acquisition of buildings and works. Is it implied that during this current year the government is proposing to acquire lands and start the erection of another elevator, or is that implication incorrect? If so, for what is the $299,000?

**Mr. Howe (Port Arthur):** This vote covers the following items: Moose Jaw, new building for an addition and extension to structure, $35,000; a septic tank, $5,000; Saskatoon, completely new building to replace old contractor's shed, $80,000.

**Mr. Harkness:** What kind of shed was that?

**Mr. Howe (Port Arthur):** An old contractor's shed; sewer and water main, $29,000; Prince Rupert, dust-tight switch room, $25,000; power wiring, $8,000; dust control system, $124,000; engineering contingencies, $15,000.

**Mr. Harkness:** Unfortunately, it would appear there are no new buildings contemplated. If it is not for that purpose, it is really for repairs and some small buildings around the elevators which are in existence. This will not increase the storage capacity in any way. I am disappointed in that because, as we have indicated here and in the agriculture committee, we believe that is a necessity at the present time. The larger crops we are producing now call for more storage space. I believe it is time the government started a construction program so far as these elevators are concerned. The elevators in existence were constructed at a time when the average crop was around 300 million or 350 million bushels. During recent years the crops have been in excess of that, in fact, almost double.

It is not to be expected these very heavy crops will continue, but I do not believe there is any question but that, with improved methods of cultivation and the greater use of fertilizers, Canada is going to have an average crop considerably higher than it was when these elevators were built. In other words, over a long period of time we are going to have bigger crops than we have previously had, and therefore more storage space will be required. I would hope the government would proceed at once to initiate a program of increasing storage space by building more elevators.

**Mr. Howe (Port Arthur):** I might point out that the government is building elevator space at Churchill, at Montreal, and at Halifax. The work happens to be under the national harbours board.

Item agreed to.

Special—

442. International economic and technical co-operation branch, including the administration of the Colombo plan and of certain United Nations co-operation plans, $118,486.

**Mr. Green:** Can the minister explain how this staff is divided between the Colombo plan and other assistance plans?

**Mr. Howe (Port Arthur):** I might explain that the funds for the Colombo plan and the approval of projects comes under the Department of External Affairs. I am sure that a full explanation was given in the committee on external affairs. The Department of Trade and Commerce is simply the administrator of the program. If the Department of External Affairs approves certain projects, the Department of Trade and Commerce undertakes to carry out those projects.

**Mr. Knowles:** And your administrator does a very good job, too.

**Mr. Howe (Port Arthur):** I think so. I think he is a very good man. We have not very much to do with assigning the nature of the plan.

**Mr. Green:** The item reads, "and of certain United Nations co-operation plans". What are those plans?

**Mr. Howe (Port Arthur):** There are certain United Nations scholarships that are paid for by United Nations which we administer, as I understand.

**Mr. Green:** Does that include technical assistance to the underdeveloped countries?

**Mr. Howe (Port Arthur):** Yes; we administer that.

Item agreed to.

734. To provide hereby, notwithstanding anything contained in the Financial Administration Act or any other act or law, for payment out of the consolidated revenue fund to Junio Moreira, a former locally engaged employee, of a pension in accordance with the terms of Argentine law, from January 1, 1953, at an annual rate of 16,785.08 Argentine pesos, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of April, 1954, which is, $1,250.

**Mr. Knowles:** Would the minister offer a word of explanation for this item? It seems to be a new one.

**Mr. Howe (Port Arthur):** I am told that this man is a long-time employee of the department, and under Argentine law he would be entitled to a pension. He is not pensionable under any plans in Canada, and if we wanted to exercise our immunity we would not have to pay him a pension. There is no fund in Canada which could appropriately pay him a pension. Naturally, we believe that, being good employers in the Argentine, it is proper that we regularize his pension which he would have obtained if he had been employed by a private employer; that is the pension we are granting him here.

Item agreed to.

National research council—

289. Salaries and other expenses, $14,294,367.

**Mr. MacLean:** Has the minister any statement he would like to make of a general nature concerning the research council?

**Mr. Howe (Port Arthur):** We had a fairly long debate on the national research council recently, and I do not think I could contribute anything new.

**Mr. Barnett:** When we were considering the estimates of the Minister of Transport, I asked a question concerning the removal of Ripple rock and was informed that this was not a matter that came under his department. I understand that the project now comes under the direction of the national research council. I was wondering whether the minister could give us a statement on the present situation of the project? If the minister is not in a position to give us details, can he tell us when he expects results of the findings in connection with the experimental borings that were conducted? He will recall that the question as to whether certain means could be employed for the removal of Ripple rock was the subject of investigation. Perhaps this is the proper place to ask the question.

**Mr. Howe (Port Arthur):** I am told that the investigation that has been going on for over a year is not completed even yet. One method of removing the rock, by tunnelling, is feasible if there are no fissures in the rock. If there are fissures in the rock it cannot be tunnelled. I am told most of the drill holes are now in, but the information is not consolidated, and I am not in a position to say what the recommendation of the research council will be. However, I shall make a public statement as soon as the council has submitted a recommendation to the government.

I may tell my hon. friend something which I think he suspects, namely that attempts have been made for many years to find a feasible way of removing Ripple rock, but to date we have not found a feasible plan.

**Mr. Knowles:** It is in good hands now.

**Mr. Green:** I understand they put a diamond drill under the channel, and then up under Ripple rock. They have had a core of the diamond drilling for some months. I asked the minister about it earlier in the spring. My information is the core proves that they can tunnel without danger from fissures.

**Mr. Howe (Port Arthur):** I hope that is so, but they have not so reported to the government. The report has not yet been received.

**Mr. Green:** There has been no official report to the government?

**Mr. Howe (Port Arthur):** No.

[Mr. MacLean.]

**Mr. Green:** What about the research they are doing in connection with the improvements at Vancouver harbour?

**Mr. Howe (Port Arthur):** A model has been built on the campus of the University of British Columbia, and I am told a report is expected shortly. A model study of the harbour is being made.

**Mr. Green:** If both these reports are favourable, will it take long to get started on the work?

**Mr. Howe (Port Arthur):** To do the actual work in the field, do you mean?

**Mr. Green:** Yes.

**Mr. Howe (Port Arthur):** That is a matter for the Department of Public Works. I should not think it would take too long—perhaps two or three seasons.

Item agreed to.

National research council—
*290.* Construction or acquisition of buildings, works, land and new equipment, $1,787,265.

**Mr. MacLean:** I notice there is a large reduction in the item this year. I presume it is because some building program is nearing completion. What is the change in the building program?

**Mr. Howe (Port Arthur):** The construction program is as follows:

| | |
|---|---|
| Building research laboratory and equipment | $128,000 |
| Radio and electrical engineering laboratory and equipment | 90,000 |
| Plant engineering and transport building and equipment | 450,000 |
| Central warehouse building at Montreal road, and equipment | 250,000 |
| Acoustic field station and equipment | 24,000 |
| Alterations and extensions (including revote of $246,000) | 644,950 |

Item agreed to.

Atomic energy control board—
*292.* Grants for researches and investigations with respect to atomic energy, $300,000.

**Mr. MacLean:** What grants are given to universities or other institutions for research under this item?

**Mr. Howe (Port Arthur):** The grants are as follows:

| | |
|---|---|
| McMaster University | $18,000 |
| Queen's University | 15,000 |
| University of British Columbia | 20,000 |
| University of Saskatchewan | 15,000 |
| McGill University | 70,000 |
| University of Alberta | 10,900 |
| University of British Columbia | 25,000 |
| Queen's University | 14,100 |
| Atomic Energy of Canada Limited | 100,000 |
| Other grants | 12,000 |

**Mr. MacLean:** I have a question regarding Atomic Energy of Canada Limited. I notice in the last annual report the following paragraph:

> The company has been named the custodian of the Sir Frederick Banting fund. Grants from this fund may be made only on the recommendation of a committee appointed by the government for this purpose, and are limited to projects in the field of atomic energy in its broadest sense.

I take it this fund is separate.

**Mr. Howe (Port Arthur):** Yes.

**Mr. MacLean:** What amount has been granted from it, and what is the situation in connection with it?

**Mr. Howe (Port Arthur):** The Sir Frederick Banting fund was raised privately, chiefly by a number of corporations, as a memorial to Dr. Banting. The custody is in the hands of a committee representing the donors. It was formerly administered by the national research council and it was felt by the donors that it would be more appropriate to the purpose they had in mind to turn the fund over to Atomic Energy of Canada Limited to be used for special research in atomic energy problems. But the projects covered by the fund are outside the normal work of government in that field.

**Mr. MacLean:** Can the minister indicate what progress is being made in the production of so-called cobalt bombs? Has a further supply been made available; also radioactive isotopes for research and other projects of that nature? In what quantities are they being made available, and is priority given to institutions in Canada for radioactive isotopes which may be required from time to time by universities and other research institutions?

**Mr. Howe (Port Arthur):** I understand that the market for radioactive isotopes is pretty well taken care of by the existing supply. I do not know of any particular delay in getting delivery now if anyone wants to order, whether outside or inside Canada. As my hon. friend knows, a new facility is being erected to process isotopes; that is a fairly busy occupation.

**Mr. MacLean:** What is the position regarding the cobalt bomb? Have any of them been made available to additional hospitals in the last year?

**Mr. Howe (Port Arthur):** Yes, as they are ordered by hospitals they are being supplied. The closing down of the pile at Chalk River interrupted the supply to some extent, but some have been produced. Indeed they are dedicating a new machine at Port Arthur next week. From time to time new facilities are being established.

**Mr. McIvor:** I do not want to let this opportunity pass without expressing the appreciation of the citizens of the lakehead of the cobalt bomb addition to the general hospital. This shows that those in charge of research are not considering atomic energy for war purposes only. This is just an expression of appreciation on behalf of our citizens up there.

Item agreed to.

Atomic Energy of Canada Limited (research program—

293. Current operation and maintenance, $8,379,765.

**Mr. Green:** This is for current operation and maintenance of Atomic Energy of Canada Limited. I understand that some changes have been made in the United States atomic energy law. Can the minister tell us whether or not those changes will make it easier for Canada to get information from the United States concerning the atomic energy developments? The McMahon act, as the minister knows, was very strict about exchanging information, and I think has interrupted atomic energy development to some extent. It was hoped that those changes being made this year would improve that situation. Can the minister tell us whether or not that is so?

**Mr. Howe (Port Arthur):** So far as I know there have been no changes in the atomic energy law of the United States as yet. There has been a good deal of discussion about changes, but there has been no actual change in the law. The exchange of information is still limited, as it has been, although the wish has been expressed by the President and by other authorities that there be a relaxation.

**Mr. Green:** Is there any legislation before congress now on this question?

**Mr. Howe (Port Arthur):** Yes, I believe there is.

**Mr. Green:** Is that legislation of a nature that will make the exchange of information easier?

**Mr. Howe (Port Arthur):** Yes, in a good many fields it would make it easier. I am not very familiar with the draft legislation. It can be quite different from the final legislation, but that is the purpose of the legislation, to make the exchange of information easier.

**Mr. Green:** Does this vote include the cost of operating the new plant at Port Hope for

refining the uranium oxide into uranium metal, or is that process not to be under way during the present fiscal year?

**Mr. Howe (Port Arthur):** The operation at Port Hope is a part of the Eldorado operation, which needs no assistance. They just built a $22 million plant at Beaverlodge without any assistance from this government.

**Mr. Green:** Will this new refining plant be completed during the present year?

**Mr. Howe (Port Arthur):** It will be completed during the next year.

**Mr. Green:** I have had complaints from an irate shareholder in one of the privately-owned mines in the Beaverlodge area to the effect that the government mill is not taking in the ore from the mines operated by private companies to the extent that it should, and is holding up the development of the area. I do not know whether that statement is correct or not. Perhaps the minister can tell us what the situation is in that regard.

**Mr. Howe (Port Arthur):** The refinery is busy handling the ore from its own operation and ore from every other operation that I know in the area. There may be some development ore that the company is not in a position to handle, but it is trying to keep up with the requirements of the field. I believe further expansion of capacity is under way at the present time or will be under way shortly. But a process of that kind has to be geared to a particular type of ore. It is a chemical process, and changes in the process may be necessary in order to handle ore from another section of the field. It may be that that is a factor; but I believe that Eldorado is attempting to handle the situation to the best advantage for all concerned.

**Mr. Green:** Can the minister have that situation looked into?

**Mr. Howe (Port Arthur):** Yes, I will be glad to do that.

Item agreed to.

294. Construction or acquisition of buildings, works, land and new equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works at Deep River for Atomic Energy of Canada Limited, $4,805,010.

**Mr. MacLean:** What do the works and buildings which are authorized to be built by Central Mortgage and Housing Corporation at Deep River consist of? Are they laboratories or accommodation?

**Mr. Howe (Port Arthur):** Just housing.

[Mr. Green.]

**Mr. MacLean:** What public buildings in the way of schools, laboratories and so forth are provided at Deep River at government expense?

**Mr. Howe (Port Arthur):** All the schools. It is a government town. The government own everything in town, shops, schools and so forth.

**Mr. MacLean:** Are the inhabitants of the town responsible for erecting any community buildings of any sort at their own expense?

**Mr. Howe (Port Arthur):** The residents provide certain recreational facilities, skating rinks and playgrounds. The scientists are there only temporarily. They are here today and gone tomorrow, you might say, and the only practical way to run any community of that kind, with that type of employee, is to operate as a government town, and that is being done and has been done from the start.

**Mr. MacLean:** I take it, it is felt that the same principle should apply in the case of Deep River as applies to married quarters on military stations and that sort of thing?

**Mr. Howe (Port Arthur):** Yes.

**Mr. MacLean:** The facilities are provided?

**Mr. Howe (Port Arthur):** That is right.

**Mr. Green:** The explanation of this vote on page 359 says that it covers a portion of the cost, 26 per cent, of new reactor representing facilities to be used for research purposes. The balance of the cost of the new reactor is provided under loans, investments and advances. Is that reactor for the development of electric power?

**Mr. Howe (Port Arthur):** This is the new experimental reactor which is now under construction and which will be used for experiments associated with power development, but this is not the reactor which will be built solely for power. We are attempting to build a homogeneous reactor. The reactor now under construction is primarily designed to produce plutonium and isotopes, and to be suitable for certain experiments associated with the production of power.

**Mr. Green:** Then, in addition, there will have to be a power plant constructed?

**Mr. Howe (Port Arthur):** That is right.

**Mr. Green:** Is there provision in these estimates for the construction of such a power plant?

**Mr. Howe (Port Arthur):** No, just for the studies at present under way which are part of our scientific program. It is hoped that the cost of the power plant will be borne

largely by the users of power. The Ontario Hydro Electric is very much interested. But we are not making financial provision in these estimates for the construction of the power plant.

**Mr. Green:** When will this new reactor be completed?

**Mr. Howe (Port Arthur):** Early in 1956, I am told. It has been changed a good many times to keep up with progress in the field since it was first started and, of course, the conception of using it to develop the power pile has introduced changes, but I am told the present date is early in 1956.

**Mr. Green:** How soon after that date will the power plant be constructed?

**Mr. Howe (Port Arthur):** We cannot say. The power pile is in process of study and as soon as everyone is satisfied that we have the right type designed we will start building the plant.

**Mr. Green:** It will be some time after 1956?

**Mr. Howe (Port Arthur):** You mean before we start with the construction?

**Mr. Green:** No, before the power plant is completed.

**Mr. Howe (Port Arthur):** Oh, yes, it would be after that.

Item agreed to.

*538.* To provide for working capital advances to Atomic Energy of Canada Limited, subject to such terms and conditions as the governor in council may approve, $5,319,000.

**Mr. MacLean:** Would the minister briefly explain the large increase from $300,000 last year to about $5,319,000 this year? I am not being critical in any way because the increase is probably fully justifiable, but I would appreciate it if the minister would give a word of explanation.

**Mr. Howe (Port Arthur):** Atomic Energy of Canada Limited has two operations, one a scientific operation which is paid for out of government estimates. The other is a commercial operation which is expected to be self-sustaining. The hon. member for Vancouver-Quadra referred to the fact that a portion of the cost of the new pile is being paid for out of the estimates, but another portion is being capitalized. This particular vote is simply an advance to Atomic Energy of Canada Limited for working capital to enable it to pay its bills until the product can be sold commercially, when this money will be recovered.

**Mr. Green:** Can the minister tell us what the total cost of the new reactor will be?

**Mr. Howe (Port Arthur):** I am told it will be between $35 million and $40 million.

**Mr. Green:** What are the figures on the power plant? Or is it too early for that yet?

**Mr. Howe (Port Arthur):** It is too early for that.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

*507.* Departmental administration, $2,214,867.

**The Deputy Chairman:** Hon. members will find this resolution at page 67 and the details commencing at page 570.

**Mr. Brooks:** Is the minister going to make a statement now or later?

**Mr. Lapointe:** No, Mr. Chairman, it was not my intention to make any statement at this stage of the proceedings.

**Mr. Brooks:** Mr. Chairman, I have been sitting here waiting for these estimates and it has been a long, long, day waiting for them to come. I think we are all pleased that there is a change in the consideration of the estimates. I have nothing against the estimates of the Minister of Trade and Commerce, but it does seem to me we have discussed wheat for practically 50 per cent of the time. I have heard about the price of wheat, storage of wheat, the sale of wheat, and what ports it will sell from, at least four or five times, and it becomes rather boring when you hear it about the fifth time. One of the sad features about the whole thing is that I do not think all the discussion has helped to arrange for the storing of one bushel or even the sale of one bushel of wheat.

Getting back to the estimates on veterans affairs, I am a little disappointed that the minister has not seen fit to give us a general statement on veterans affairs on this first item, though I know that as the discussion continues and as we deal with the different items we will probably get all the information we require.

Besides, Mr. Chairman, we have already had a committee on veterans affairs and in that committee and in the different bills which have been before the house there has been quite a discussion already on the different phases of veterans affairs. With regard to the committee, Mr. Chairman, I might say that we are all very pleased that there was a committee set up this session. The minister and other hon. members will recall that we asked for the setting up of a special committee on veterans affairs at the beginning of the session.

On numerous occasions we have also requested that a standing committee on veterans affairs be set up. It is nice to sit on the veterans affairs committee. You meet not only members with whom you have been associated on former veterans affairs committees, but also new members and, more particularly, you again meet the representatives of the different veterans organizations and you hear about the problems of the veterans from one end of the country to the other. You also meet the officials from the different departments and through them you get a very good picture of the situation as far as veterans problems are concerned.

As I said, Mr. Chairman, when the committee was first set up we were very much disappointed with the terms of reference as far as that committee was concerned, and at that time we tried to have the terms of reference enlarged. Most of us who sat on committees in 1945 and 1946 remember how broad the terms of reference were at that time. We could discuss practically any and all problems relating to veterans affairs. Since 1946 our terms of reference have been much more restricted, until now it hardly seems to be a veterans affairs committee at all. We are restrained from discussing some of the main problems affecting veterans and we are told that practically our only duty on the committee is to review such legislation as the government may see fit to send to us. This is something which rather irritates, indeed exasperates, the members of the committee, but I will have more to say about that matter later.

We are now considering the estimates of this department. I do not think there was ever any great objection to the estimates of the Department of Veterans Affairs. The only criticism that we have seen to what is being paid out to veterans in the matter of pensions, war veterans allowance and hospitalization and under the Veterans Land Act is not as to the amount. There has never been any objection to the amount but sometimes there is objection to what we think is the cost of administration. Even to that there has never been any great objection. The attitude of the members has, in my opinion, reflected the feeling or the opinion throughout the country, namely, that all we do or all the money we spend with regard to veterans affairs or for the veterans of this country is money well spent. I do not think there has ever been in this country a feeling that too much has been done for the veterans of Canada who, on two occasions, made great sacrifices not only for their own homes but for the homes of the people of this country and of those living in other democratic countries.

We have often heard the statement made—although I think those who make it have probably never really made a study of the veterans legislation in other countries—that the legislation in Canada is the best in the world. This statement is glibly made in the House of Commons by members who, I venture to say, have never even read the legislation of the United States, for instance, or that of Australia, New Zealand or some of these other countries.

A few years ago I had the opportunity of reviewing the legislation in the United States and also some of the legislation in Australia. While our legislation compares favourably—in some matters it is better and in some it is not as good—I would doubt whether the people in the United States would agree that we in Canada have the best legislation. It is a matter of comparison. Then again, why should not Canada have the best legislation? Why should not Canada, for instance, have much better legislation for veterans than have countries like Great Britain, France, Belgium, Holland, Italy or any of those old countries?

Canada during the last war particularly did not suffer as did any of those old countries. France was devastated. Great Britain's cities and towns were ruined, and she spent practically all her finances in order to carry on the war. The same thing is true of Italy, Germany, Japan and all these other countries. In contrast, we here in Canada in no way suffered any of these tragedies, such as the destruction of our cities, our means of communication, transport and so on, as did these other countries. I therefore contend, Mr. Chairman, that the only countries with which we could make a comparison are such countries as the United States, Australia, New Zealand and South Africa, which countries were not devastated as were the old countries of Europe and Asia.

With regard to paraplegics, for instance, I noticed the other day a statement to the effect that in the United States they receive something like $340 a month and are also provided with a car. Then a few months ago I noticed an article in some magazine with regard to old soldiers' homes in Australia. Here in this country we have a few old soldiers' homes, but I do not think we have anything that can compare with the old soldiers' homes in Australia or with the way in which the Australians are looking after their old veterans in that connection.

As to the matter of pensions, I suppose we have pensions comparable with those provided in any other country, but what has been the basis for the setting of the rate of pensions in this country? It has not been the highest salaries paid; not by any manner of means. We do not expect it should be and the veterans do not expect that it should be. It has not been the average salary. We all know that the pensions in this country were based on the salaries or wages which labour was receiving in this country, and those of the unskilled and cheapest labour at that. As to the young man who had left college, school, farm and so on and who went to war, if they were killed their families receive pensions; but the amount they receive would not in any way compare with the provision which would have been made for the wives and children of these men had they not been killed. The same thing applies with regard to the men who were wounded and maimed. We speak about their receiving a 100 per cent pension. What is the amount of a 100 per cent pension? I think it is $125 a month. The cheapest labour in this country today will receive $125 a month.

I am not mentioning these things, Mr. Chairman, in order to belittle our system in this country. I do so just to point out that, when we hear people say that we have the finest veterans legislation in the world, we should not take the statement too literally but should warn our people that they must not be too smug in this matter. Suppose we had the best legislation in the world. That is not the only consideration. I think that what we should give to our veterans is the best that we can afford to give them. The provision we make should not be based on what is done in other countries, but rather it should be the best that we can afford to give in this country. In that connection I should like to state that our veterans and veterans organizations in this country have always been fair in their demands. I have been amazed and well pleased at the moderate demands made by veterans when they come before veterans affairs committees. After the first war and even after the recent one, the veterans of Canada never tried to raid the treasury of this country, as was done by veterans in another country which I could mention.

We also speak of hospitalization. As far as veterans are concerned, the hospitalization in Canada is good. There has been an evolution. But again I ask this question: Should it not be good and should it not be the very best we can give? These young men were maimed and wounded not for the benefit of themselves but rather for the benefit of this country. Many of them since the first war and now the second war have had to spend all their days in hospital. I remember, when I was in England after the first war, visiting a hospital in the southern part of that country. In the wards of this hospital were some 25 or 30 young men on water beds. I was told by the nurses there that those young men would never be moved off the beds they were on at that time. There are thousands of our young men in hospital who have been there since the first war and who will be there for the rest of their lives; and that statement now applies with regard to young men who were in the second war. I therefore say that in the matter of hospitalization, while we are proud of our institutions, there is every reason why the very best should be given to these men.

It is not my intention at this time to discuss the bills that were referred to the veterans affairs committee. They were thoroughly discussed in the committee and in the house. The committee considered Bill No. 82, having to do with the War Service Grants Act, Bill No. 101, which gave the Korean veterans the same benefits as those extended to veterans of world war II, amendments to the Pension Act and amendments to the Veterans Land Act. In my opinion the most important bill which the committee had before it was that dealing with the Veterans Land Act.

We realize that housing for veterans is one of the big problems in Canada today. I was favourably impressed with the officials who administer the Veterans Land Act and who gave evidence before the veterans affairs committee. I was impressed with their earnestness and sincerity and what I believe to be their great desire to help veterans through the Veterans Land Act and to make the new amendments a success so far as housing is concerned.

I come now to a matter which was a great disappointment as far as many members of this committee, in fact I think all, were concerned. I think I can say that all members of the house were greatly disappointed that no amendments to the War Veterans Allowance Act were presented for consideration by the veterans affairs committee. As far as I am concerned, when I understood the committee would be set up I thought that the main problem which would come before it would be the matter of the war veterans allowance. It is not necessary for me to go into the history of war veterans allowances. The pages of *Hansard* for the past twenty-four years are filled with the history of this legislation, one of the finest acts that we have in our veterans legislation.

But it was felt by members that the legislation had not kept pace with the requirements of veterans allowance recipients. I would say that 75 per cent of the letters members of parliament receive and 75 per cent of the complaints received from veterans organizations throughout the country arise as the result of inadequacies in the War Veterans Allowance Act. There are two great weaknesses. The first is the basic rate which today is $50 for a single man and $90 for a married man. The second great weakness is the ceiling on income or the amount of permissive income.

The War Veterans Allowance Act was considered by the veterans affairs committee of 1952, and we were surprised that these problems were not definitely solved at that time. True, the war veterans allowance was increased by $10 but the ceiling on income was reduced instead of being increased. Many hours were spent in the committee considering the matter. Many representations were made by veterans organizations pointing out these two great weaknesses in the War Veterans Allowance Act. Since that time they have increased instead of decreasing. After two years, when a veterans affairs committee is again set up for the express purpose, we thought, of reviewing and solving the problems of veterans, nothing is done respecting the problem which I and veterans throughout the country consider the most important.

The members who were on the 1952 committee will recall that at that time the Canadian Legion and every other organization strenuously objected to the bill then being considered. They pointed out that the basic rate did not even provide a bare subsistence for these older men who are unable to work and have no other means of support. They pointed out that $50 a month was not even sufficient to meet their barest requirements. As far as the ceiling on income of $120 a year is concerned, it meant that the veteran who had a small pension could not receive his pension and the benefit of the war veterans allowance. It did not permit the retired workman who had a small annuity to have the advantage of his annuity as well as the war veterans allowance. It did not even permit the war veteran recipient with two or three spare rooms in his house to rent those rooms and receive compensation for them in order to assist in meeting the expenses of the home. It did not even permit the man who had a small piece of ground in the country or near a town to take advantage of his garden or his few cows or hens without having some reduction made in his war veterans allowance.



I say that this ceiling has worked and is working today great hardship on the war veterans allowance recipient. In the special committee this year we heard again the evidence of the representatives of the different veterans organizations. Having in mind the many letters that we are continuously receiving from veterans all over the country and the personal knowledge which I venture to say every member of the house has, having in mind the original intention of the War Veterans Allowance Act which was to assist men over 60 years of age who on account of war service were pre-aged some ten years, taking into consideration also the advanced age of these men of the first war, their average age today being 64 or 65, some of us who were members of the committee felt that we should make representations to the house asking that the terms of reference of the committee be enlarged so that this matter might be considered, especially when we saw that no bill was forthcoming from the government. I took the opportunity to move the following motion in the special committee and I should like to read it now. It reads as follows:

> That this committee submit a report to the house requesting that the terms of reference of the committee be enlarged to enable it to consider the War Veterans Allowance Act and make recommendations in respect thereof, at this session of parliament.

After considerable debate in the veterans affairs committee the chairman of that committee, for whom I have a very kind regard on all occasions but this, I am satisfied went out of his way to make what I consider a very unfair, illegal and unjust ruling, as far as this—

**The Deputy Chairman:** Order. I think the hon. member will be able to make his point quite satisfactorily without casting reflections upon the conduct of the committee.

**Mr. Brooks:** I am giving my opinion, Mr. Chairman. I will say this. He gave a ruling which I feel was unjustified and which, if the rules were properly carried out, cannot be justified. He gave a ruling entirely contrary to a ruling that has been made under similar circumstances in a previous committee in 1951, when we had terms of reference almost identical with those which we had in 1954. At that time a study of the War Veterans Allowance Act was permitted, although that was not in the terms of reference. The only difference between the terms of reference in 1951 and in 1954 was that in 1951 there was included an item from the estimates. The chairman said that because there was this difference in 1951, the statement of the chairman in 1951 was correct for

the particular terms of reference at that time, but would not apply to the terms of reference in 1954. As I say, there was no difference—

**Mr. Tucker:** The hon. member was not there. I pointed out also that the terms of reference in 1951 also conferred the power to make recommendations which our terms of reference did not include.

**The Deputy Chairman:** Perhaps it might be advisable if I were to point out to the committee at this time that what is under discussion is the departmental administration of the Department of Veterans Affairs, and not the conduct of a select committee of this house. The last thing I want to do is to endeavour to curtail any fair criticism any member may wish to bring about veterans legislation, existent or non-existent. I am going to ask him to do that without criticism of the conducting of a select committee set up by this house, and particularly of the conduct of the chairman of that committee.

**Mr. Green:** Surely you are not ruling that we cannot discuss the proceedings of a committee that has made a report to the house. This committee dealt with veterans affairs and a report has been brought in and tabled concerning certain recommendations. The proceedings are all printed.

**The Deputy Chairman:** The hon. member for Vancouver-Quadra must have misunderstood me. I did not make the suggestion that the proceedings of the committee could not be discussed. I referred in particular to existent and non-existent legislation, which is the point the hon. member is now making. The manner of the conduct of a select committee of this house, not its findings but its conducting by its chairman, can only be discussed in this house on a substantive motion. That is not a question of departmental administration. I feel the hon. member whom I interrupted realizes quite well the point I am trying to make, and will see that I am not endeavouring in any way to interfere with the course of his argument. I am just endeavouring to head him off, before perhaps we might find we have overstepped the rules.

**Mr. Green:** This is important because we all have a right to speak on this first item. I submit to you we have a right to discuss what took place in a committee. The reports are available, and every word is printed. Surely Your Honour is not ruling that we cannot refer to these printed reports.

**The Deputy Chairman:** No, I am not.

**Mr. Green:** May I finish?

**The Deputy Chairman:** I say he cannot discuss the conducting of the committee or criticize the conduct of the chairman of the committee on the estimates.

**Mr. Green:** That is not what the hon. member was doing. He was dealing with actions taken by the committee. Surely he is quite in order in doing that.

**The Deputy Chairman:** I think the hon. member for Royal realizes the point I was endeavouring to make.

**Mr. Brooks:** I have heard a good many committees discussed during the discussion of the estimates, the agriculture committee and other committees. I was suggesting that we felt the war veterans allowance should have been discussed. I feel that we made every effort we could to have the terms of reference of the committee enlarged so the matter could be discussed. We felt the war veterans allowance was the main problem that should have been before the committee. As I say, that resolution came before the committee and was ruled out of order. I shall make no further comment upon the chairman's ruling.

The veterans affairs committee submitted a report to show that the members felt that the consideration of war veterans allowances was probably the most important matter that should have been considered. In one paragraph of the report they said that, in addition to representations in respect to the said bills, representations respecting changes in the War Veterans Allowance Act, to raise the amount of allowance possible thereunder and also raise the level of permissive income, should be made. We felt also that that was not sufficient, and we had good reason for so thinking. In 1952, after certain motions were turned down in committee, we expressed the pious hope that is expressed in this report that the war veterans allowances would be considered by the government. The matter has not been considered for two years, and the same recommendation was made two years ago, yet there is still nothing done. We felt that to make such a recommendation now was no assurance either to us or to the veterans that anything would be done.

Hon. members may say, why the great hurry? As I pointed out, the recipients of the war veterans allowance are not young men. Today the average age is between 64 and 65. These men are growing older every day, and they are dying off very quickly. A month or a year or two years means a great deal to them. Anyone who reads the *Legionary*, as I am sure most do, knows that there is a page called the "Last Post". On that

page you can see dozens of names every month of men, between the ages of 64 and 68, who have died. Brigadier Melville, the chairman of the pension commission, told us that the death rate of the veterans was increasing very rapidly. He was amazed by the great number of widows who were applying for pension. We were told also that the paraplegics of the first war have all passed on, that none of them is remaining. So I say we felt that in pressing for this to be done now—not a year or two years hence—we were carrying out what we believed were the wishes of veterans bodies, and also what should be done to give justice to these veterans. In this connection I should like to read a paragraph from the Legion brief of May 19, 1954:

> It is the earnest hope of the Canadian Legion that the present committee will realize the need and assume the responsibility of recommending immediate action in this matter.

And the matter concerning which they ask for immediate action is that of war veterans allowances. I am not going to labour the point further. I do not think it is necessary to do so; but by failing to enlarge the terms of reference of our committee and failing to allow us to consider a bill amending the war veterans allowances, I feel a great injustice has been done by parliament so far as the recipients of war veterans allowances are concerned. I express the hope that between now and next November the government will see fit to correct this great injustice. And if it is not done at that time, then one of the first things we will have to do at the next session of parliament will be to discuss the War Veterans Allowance Act.

**Mr. Knowles:** Why not do it before this session ends?

**Mr. Gillis:** Mr. Chairman, I shall take a few minutes on this first item, because it is about the only place I can say what I want to say.

Two principles arise out of the last veterans affairs committee that should be brought home clearly to members of the House of Commons. The first of these is the value of the committee itself, and the second is this warning: Don't tie the hands of the committee before you set it up.

Ever since I have been in the House of Commons I have been of the opinion that a continuing committee on veterans affairs, operating as a standing committee of the house, would serve a very useful purpose. It could review and consider week by week or month by month, in company with representatives seeking veterans legislation, what might be wrong with the present legislation and what new legislation might be required. In this way there could be a continuous survey of veterans problems.

While it was handicapped in one respect, this committee demonstrated that when its hands were not tied by previous decisions it was flexible and realistic and could do some good work. I shall not discuss the four bills which came before the house more than to say that the committee made amendments to those bills simply because it was not hamstrung before it began its sittings.

For example, under the War Service Grants Act veterans who served in Korea and had enlisted prior to 1950 found, upon being discharged, that they were not entitled to unemployment insurance. Through the chairman and the parliamentary assistant this matter was brought to the attention of the committee. The proposal was a reasonable one and it was not long before the parliamentary assistant had consulted his minister and others and returned to the committee with an amendment correcting this injustice.

Then there was another amendment to the same act in connection with which we were not hamstrung by previous decisions. I refer to the application of gratuity credits to dependent parents. When the matter was discussed in committee the act was changed from a provision whereby the parent had to be wholly supported by the deceased veteran to one whereby only partial support was necessary. I know of several cases in which I was interested where the difficulty was cured by this amendment.

When the Veterans Land Act came before the committee it was amended in 15 places. This shows that if the committee is permitted to work without restriction it can and will do a good job. In this connection I should like to straighten out something that appeared in a newspaper report dealing with the first principle I stated when I stood in my place: Don't tie the hands of the committee before you set it up. This report appears in the Ottawa *Citizen* of Friday, June 11, 1954, at page 5. It is a Canadian Press dispatch and while I do not know who wrote it, I am certain no one in the parliamentary press gallery wrote the headline, which states "Second Veto for Raise in Vets Pensions". That headline is absolutely incorrect. Then I shall refer to the first paragraph of the dispatch which, also, is in error. It states:

> For the second time in two days, Walter Tucker (Liberal, Rosthern), chairman of the Commons veterans affairs committee, yesterday ruled out of order a motion aimed at increasing war veterans allowances.

The paragraph is in error when it states the motion was to increase war veterans allowances. It was for a completely different purpose, that of asking the committee to broaden the terms of reference.

**Mr. Knowles:** Asking the house.

**Mr. Gillis:** To ask the house to broaden the terms of reference. The rest of the story is all right. Then, I should like to say a few words on the other principle: Don't tie the hands of the committee. The matter of broadening the terms of reference was raised by the hon. member for Royal. As he said this afternoon, the committee had before it a proposal from the chairman to write into its report a recommendation that the government give greater consideration to war veterans allowances in respect of those who served in the merchant marine during the last war. Under his authority the chairman was not permitted to accept the motion of the hon. member for Royal. I have served on that committee long enough to know the rules.

However, he found himself in this position; a much less favourable one. Before the matter came to the committee at all, the Legion had approached the cabinet, and the cabinet is the government. It was indicated in the press that the cabinet, with the Prime Minister as its spokesman, had definitely said there was to be no change in war veterans allowances at this session of the house. That was a pretty definite government decision.

On two occasions the house had ruled out of order a proposal to broaden the terms of reference of the committee when the matter was under discussion. I like to be fair in these matters. In what kind of a position did we place the members of the government who were members of that committee, in deciding to broaden the terms of reference or increasing veterans' allowances, when three decisions against that proposal had already been made; one by the cabinet and two by the house before the committee had an opportunity of discussing it at all? From my own experience on that committee in the last fifteen years I am reasonably sure that if that committee gets any proposition, and if they are not hamstrung before they start, they will do a reasonable job in the best interests of the veterans of this country.

In the committee, as I stated when the hon. member for Royal moved his motion, the easy thing for an opposition member to do is to rise and beat the chairman, because the chairman is helpless. He has no alternative. He goes as far as he can under the rules and regulations that apply to that committee. There is no doubt in my mind—and there was no doubt in my mind—that the hon. member for Royal was out of order.

**Mr. Brooks:** That is not the attitude you took in former veterans committees.

**Mr. Gillis:** But the circumstances were different this time. Three decisions had been made by the government and hon. members. That is what I am objecting to.

**Mr. Brooks:** No decision was made on this.

**Mr. Gillis:** There were two decisions made.

**Mr. Brooks:** Not on this.

**Mr. Gillis:** Two of them were made in this house and one was made by the government as announced by the Prime Minister to the Legion. I hope we have learned a lesson from that, so that when we set up that committee we set it up free to deal with veterans problems, without having three strikes on it before it starts to discuss the proposition. I have said that a good many times and I reiterate it now. Let us not get the committee in a position where people are fighting for the political advantages. Let us set it up free and unrestricted, and let us not examine legislation that has been conceived by someone else. Let us look at the legislation as it is and let us, along with veterans organizations, determine what is fair and reasonable in the matter of changes to be made. Then I think we can keep veterans affairs out of politics and the veterans will get a better deal all-round.

There are lots of places where I can fight politically with the government, in the house and out of the house, but there is one problem in this country that I have never for one minute tried to capitalize on politically, and that is veterans affairs. It should be outside of that; it is too big for that.

I do not forget the 1951 and 1952 committees when the War Veterans Allowance Act was before them. The main emphasis at that time was on permissible earnings, casual earnings; the right of the veteran to hold his veterans allowance and at the same time take some employment that would increase his income and enable him to augment the veterans allowance, instead of immobilizing and penalizing him if he took employment of any kind. I do not agree with the hon. member for Royal when he says nothing was done about that other than expressing a pious hope. At that time the main emphasis was on casual earnings. He will remember, as I remember—

**Mr. Brooks:** The main emphasis was on the ceiling, and it is today.

**Mr. Gillis:** It is the same; there is no difference. It is a difference in words. At that time the department dug out material as far back as 1919, and we gave that problem a thorough overhauling. I hold in my hand directive No. 25, issued in 1953, which shows that substantial changes were made in the casual earnings and in the methods of going off veterans allowances, taking employment for part of the year and going back on the allowance again without any difficulty. I am not going to read it. I am sure every member of the veterans affairs committee must have a copy of this directive. Substantial changes were made.

Previous to the changes being made, as indicated in the directive, I received many letters on this matter of casual earnings, asking that the ceiling be raised and wondering why they were immobilized, asking that they be permitted to take employment for a month, two months or three months of the year, and so on. They said, "if I take a little job on an elevator or selling tickets at a theatre, or some kind of employment that a person can get in the summertime, why should I be deprived of my veterans allowance?" I have had no complaints since that was straightened out in accordance with the directive. Then the main issue became that of raising the basic rates.

As far as I am concerned, if we had a chance to discuss and vote on that, there would be no question where I stand. I am sure there is no doubt in anybody's mind, in this house or outside of it, who knows me as to where I would stand on that matter; but that matter was not before us and we could not get it before us. We were prevented from getting it before us largely by the action of this house in making two decisions against it before it ever got to us.

I have another directive in my hand which is along the same lines. It has to do with casual earnings as they apply to farmers in the computation of their income. I am not going to read it because it is available to all hon. members. It is the issue of May 3, 1954, and is directive No. 6. It is worth having in your file. Anyone who is interested in veterans affairs should have both of these directives in his files. These directives are all supposed to go out to the district offices, which are responsible for advising the veterans in the district, but quite often this material gets sidetracked. When I saw this I suggested in the house that revisions should be made so that the branches and people in the area at least would become familiar with it.



These are some of the things that that committee did. I am arguing for that committee. I am not defending the government, but I am arguing as to the value of that committee. I am sure the hon. member for Royal did not mean what might be taken out of his remarks if you did not know him: a straight condemnation of a committee of this house by a man who has been a member of it for some considerable time. He said that it is of no value and that instead of setting it up as a continuing committee as a lot of us want to see done, the government should say: let us get rid of it; it is no good anyway, since some of the older members have said so.

**Mr. Brooks:** I never said that.

**Mr. Gillis:** I know the hon. member did not say that, but that could be read out of what he said; that it is of no value; that it only issues pious hopes; that it has not done anything and it has never done anything; why should we be wasting our time? If I ever get the idea that the committee is a waste of time, I will not be a member of it. I will not be wasting my time on it. I consider it one of the most valuable committees in the House of Commons.

**Mr. Brooks:** If it is not hamstrung.

**Mr. Gillis:** If it is not hamstrung. Let us not help to hamstring it the next time by voting on something in this house that we should do in the committee.

While I am talking about veterans allowances I would like to say this to the minister. There are two points about veterans allowances that would not take very much money to straighten out, and they are outstanding grievances. One is the veteran who served in England during the first world war. That veteran should be entitled to war veterans allowances. England was not a theatre of war during the first war; it was a theatre of war in the second war. A veteran who served in the second war and who got to England, and who may be 30 or 35 years of age, may some day receive veterans allowances. The man who served in England and stayed in England through no fault of his own, because he was ordered to stay there, sees, when he reaches the age of 60 or 65, the young veterans drawing allowances to which he himself should be entitled. He feels it is a pretty rank piece of discrimination. I say that something should be done to correct that.

Now, the second point, and this is an outstanding grievance, relates to the widow of the imperial veteran. With the deadline of 20 years residence there were many of them who were perhaps three, five, or eight months

short of being residents in Canada for the regulation 20 years. That widow is living alongside Mrs. Smith who was lucky enough to have a husband who lived in Canada for the full 20 years and who therefore receives the full war veterans allowance. But the woman next door, because her husband happened to be taken away a few months before, does not qualify under that deadline and she cannot get the war veterans allowance.

There would not be very much money involved in alleviating the condition of such people. When you talk to people in that category and tell them you are in favour of putting $100 million into the Colombo plan they come right back and say, "Why not start a Colombo plan for us?" The amount of money involved would not be so great when one considers that this is really an outstanding grievance.

I would suggest that when the government considers the report of the committee, which suggests that the war veterans allowance should be considered in the matter of increasing the rate, that these two points I have just mentioned, both of which are outstanding grievances, be given further consideration. That is all I am going to say at the present time, Mr. Chairman, but I may have some further remarks to make on certain other items.

**Mr. Quelch:** Mr. Chairman, when the veterans charter was first introduced in 1945 I believe it was the finest program for the re-establishment of veterans that could be found in any country in the world. As time went on, of course, it became necessary to make adjustments to that charter and for that purpose the veterans committee has been set up to deal with the amendments and bills referred to it from time to time. In the early days the terms of reference of that committee were wide open and we had the right to discuss any feature of the veterans charter but, unfortunately, during the past few years the terms of reference have been tightened up and our action has been limited to the bills referred to us. As a result of that it has not been possible for the committee to deal with what might be considered the major grievances in the veterans charter and that, of course, is the war veterans allowance.

I want to deal with one or two of the bills which were referred to the committee and deal first of all with the Veterans' Land Act. When the Veterans' Land Act was before the house I suggested to the minister that the superintendent should be prepared to give us a complete review of the operations of the department. At this time I would like to commend the very fine report that was given to the committee by the superintendent of the Veterans' Land Act. It was a very comprehensive report; it showed that the program is working, I think, very satisfactorily; and it showed there are very few veterans in arrears. I think at the same time we must keep in mind the fact that generally speaking crops have been good and prices have been satisfactory. It is quite possible that if we run into a few crop failures and prices happen to fall the situation might not be quite so satisfactory.

The main criticism I have heard of the officials of the Veterans' Land Act has been that they have been a little bit too tough; that they are a bit too conservative in their appraisals. The superintendent himself admitted before the committee that there is probably some justification for that criticism. On the other hand, I would not be too critical of the superintendent on that ground because I have in mind the criticisms we have made throughout the past about the officials of the old Soldier Settlement Act. That was constantly criticized on the grounds that the settled veterans were put on land for which they had to pay too high a price, and that they should never have settled veterans on land of that type. I presume that the present superintendent is going to try and make sure that that type of criticism will never be levelled against him in the future.

Now, one of the amendments under the act provided for an additional loan of $3,000 which I think is a good thing. On the other hand, I regret that the government set the rate of interest at 5 per cent instead of 3½ per cent. I hope the government even at this late date will reconsider that action. The reason given was that the main purpose of the additional loan was to make it possible for the veterans to get loans they were not able to get as veterans under the Farm Improvement Loans Act, and as the rate of interest was 5 per cent under the Farm Improvement Loans Act the rate of interest for this additional $3,000 should also be set at 5 per cent.

But that ignores one very important fact, namely, that the Veterans' Land Act has nothing whatever to do with the Farm Improvement Loans Act. It also ignores the fact that when the Veterans' Land Act was established and the veterans came back from overseas many of them were encouraged and advised by the officials of the Veterans' Land Act not to settle right away but to wait. Prices were high and they were advised to hold back in the hope that the prices would fall and they would be able to make a better deal with their $6,000. But what happened?

Prices went up by about 50 or 60 per cent and as a consequence of the veteran having taken the advice of the officials of the Veterans' Land Act—and I am not criticizing these officials because most of us thought the same thing—the veteran found himself in a far more difficult position. Whereas with his $6,000 he might have been able to settle on a good holding in 1943, 1944 or 1945, by 1947, 1948, 1949 and onwards, the price of land had gone up by 50 per cent and in some cases 100 per cent, along with the price of everything else, and so it was practically impossible for the veteran to become re-established with $6,000. In most cases the veterans who did manage to become re-established had a certain amount of capital of their own and in some cases they were helped out by their parents.

Now we find a situation in which it is desirable to make an additional amount of $3,000 available. According to the superintendent and the minister the purpose is to make it possible for the veterans to obtain additional land and improve their property. The government realized they needed to expand their holdings and with the price of land being high it had not been possible in many cases for the veteran to get a large enough holding. As a result of the price of land increasing this $6,000 was not sufficient to enable the veteran to buy a sufficient amount of land which could be considered as an economic unit. We are therefore allowing the settler to have an additional $3,000. But that being the case what justification can there be for setting the rate of interest at 5 per cent instead of 3½ per cent?

This grant is being made in order to make it possible for the veterans to establish an economic unit, but I would again point out that it has nothing whatever to do with the Farm Improvement Loans Act and I therefore hope the government will give further consideration to that matter and make the rate of interest 3½ per cent across the board. As things stand now we will have the veteran paying 3½ per cent on some of his loan and 5 per cent on the balance.

As I said, I think the officials implementing the Veterans Land Act are doing a good job. They have a reputation today of being tough but the time to be tough is, of course, when prices and crops are good and when farmers are prosperous. If the time comes when conditions are bad I hope the minister will encourage his officials to be a little more lenient in order to make things a little easier for those in that position. I agree the time to be tough is at the beginning and then loosen up later on.

[Mr. Quelch.]

I now want to say a few words with regard to the Pension Act. A great deal of concern was expressed by the Legion in their brief over the delay in awarding pensions. It will be recalled that the act, as originally sent to the committee, instead of improving that situation, worsened it. Fortunately, the government decided to agree to an amendment to the bill and the situation was put back as it was before the bill was drafted. But it still does not go as far as the Legion asked that it should go. The Legion asked that the pension be awarded from the date of application. I hope the government will see fit to give further consideration to that matter at some future date.

I now want to come to the question of the main grievance against the veterans charter today, namely, the grievance against the war veterans allowance. There again I want to state that I am not for one moment criticizing the officials of the war veterans allowance board. I think Colonel Garneau has done a good job. I have never heard any criticism against him or his officials. I think they go as far as they can go under the act. In my opinion the trouble is that, the act being what it is, they are not able to go far enough.

There has been some criticism of the chairman of the committee for ruling a certain amendment out of order. Generally speaking, I think he made a good chairman. I think most of the members of the committee will agree with that statement. Personally I am not overcritical of him for having ruled out of order that motion to get the terms of reference widened. Even if that amendment had been allowed, it would either have been voted down by the Liberal members of the committee, or if it had not been voted down by the members of the committee, I presume it would have been voted down when it got into the house, because two amendments that had been moved at the time the committee was set up had already been voted down. While it might have been a good political move to make, I do not think it would have done much good even if it had carried in the committee.

When the War Veterans Allowance Act was before the committee in 1952 the allowance was raised from $40 a month to $50 for a single veteran and from $70 to $90 for a married veteran. But at the same time the amount of the permissible earnings of a married veteran was reduced from $250 for the year to $120. That reduction caused a great deal of hardship for the small pensioner —that is the war disability pensioner—or for the person with a small superannuation allowance or any other type of pension. What

it meant was this. A married veteran with a disability pension of $30 a month did not receive any help whatsoever as the result of increasing the war veterans allowance from $70 a month to $90 a month, because the ceiling permitted was $1,200 for a married veteran. That was my main criticism at that time, namely, that although we had increased the allowance from $70 a month to $90, it would not help the small disability pensioner in any way, shape or form.

I think the tragic part of the picture with regard to the War Veterans Allowance Act is that it does not today provide enough for a person to live on. Furthermore, it denies a veteran the right to help himself by adding money to his income in order that he may have a fairly decent standard of living. It makes it impossible for a veteran to help himself. The recipient of the war veterans allowance today is therefore forced to exist on a subsistence standard and there is nothing he can do to help it.

Not only is there nothing that the veteran can do to help himself, there is nothing that his relatives can do to help him and there is nothing that his friends can do to help him. If they start to make money available to him, then the amount of his allowance is reduced by that amount, unless the matter is hidden, unless he conceals the fact that help is being given to him. Moreover, if it becomes disclosed at a later date, the allowance is cut down and the amount of overpayment is charged against his future allowance.

**Mr. Knowles:** Even old age security is of no help.

**Mr. Quelch:** Yes; even old age security is of no help to him. I think all of us know of many cases of real hardship. Veterans have come to us and said that their sons and daughters wanted to help them and have asked the question: How can they help us without our having the allowance cut down? There is no way they can help unless it is done by not disclosing the fact that help is being given. Yet no member likes to encourage a recipient of war veterans allowance to do anything that is not legal because if he does so, and it is found out, of course naturally the member of parliament would be blamed for having given him a bum steer. I myself have been in that position on several occasions, but I have been discreet. I would say that the officials are very sympathetic. They use good judgment. If there is one department that bends over backward to try to help the veteran, it is the branch of the war veterans allowance.

Another highly unsatisfactory condition is that today we find that old age pensioners in some provinces are getting a far better deal than are the recipients of the war veterans allowance. For instance, in Alberta and in British Columbia that is the situation. I do not want anybody to bring politics into the matter. It just happens that Social Credit governments are in power there. That is not the reason I am referring to the matter. I am merely mentioning that in the provinces of Alberta and British Columbia a married couple receive an old age pension of $110 a month whereas recipients of the war veterans allowance receive $90 a month. That is a rather bad situation, where a civilian can receive $20 a month more than a war veteran; therefore the war veterans allowance should be increased. Mind you, Mr. Chairman, the War Veterans Allowance Act and the Old Age Security Act are not altogether dissociated from each other. There is a connection between them, whether we like it or not.

First of all, let us remember that the war veterans allowance is not available to all disabled veterans. It is available only to those veterans who actually served in a theatre of war. Very often there is a narrow margin between a veteran who is able to get a pension and a veteran who is not able to get one and who has to accept the war veterans allowance. I can see that at times it must be an extremely difficult thing for the pension commission to decide what veteran will be able to get a pension and what veteran will have to depend upon the War Veterans Allowance Act for his living. Of course, the pension commission is allowed to use the section with regard to benefit of the doubt in order to help it in that matter. I can quite well see where, at times, it must be a hard decision for the pension commission to make.

In this connection it is well to remember that in the year the War Veterans Allowance Act was first established—I have forgotten the exact date, but it was in the 1930's—it was established upon the presumption that a veteran had pre-aged by ten years. I have not the statement here but I read the statement by the former prime minister to that effect. The veteran having pre-aged by ten years, it was decided to allow the veteran to have the old age pension at the age of sixty instead of waiting until he was seventy. That being the case, and the war veterans allowance having been established on that basis, what possible justification can there be for maintaining a means test upon the recipient of the war veterans allowance at sixty when the recipient of the old age pension at seventy has no means test upon him?

On that basis war veterans should automatically have the means test lifted at 60. Otherwise the presumption basis means nothing.

That could mean a great deal to the recipients of war veterans allowance because the majority of the war veterans are over 60 years of age. I have here a statement which was made by Colonel Garneau in 1952. According to that statement at that time the actual percentage of veterans under 60 years of age compared with those 60 years of age and over was in the ratio of 25 per cent to 75 per cent. The percentage with respect to widows on allowances under 55 years of age was 16·58 per cent and for those 55 years of age or over 83·42 per cent. These figures total approximately 32 per cent for those under 60 years of age and 68 per cent for those 60 years of age and over, taking in all recipients.

That would mean that if we recognize that veterans of 60 receiving the war veterans allowance should have the means test lifted entirely, 68 per cent of the recipients of the war veterans allowance would have the means test eliminated. I think all members would agree that would make a tremendous difference to the war veterans today. In the first place it would mean that all those receiving disability pensions would be able to get the full amount of the war veterans allowance. All those getting small incomes from other sources would be able to get the full amount of the war veterans allowance. I hesitate to go one step further and say that it would mean that they could also draw the full amount of the old age pension at 65. I am not going to say that because I do realize that there seems to be a duplication there, and if you are going to argue that the one is based upon the other I do not see how you can say they can get both.

**Mr. Knowles:** Retired judges get both.

**Mr. Quelch:** But by the time they reach 70 we should be prepared to give them both the allowance and the old age security pension which is contributory.

**Mr. Knowles:** Retired judges get two pensions. Some senators get both their indemnities and the pension.

**Mr. Quelch:** Yes, but I am using an argument which I will admit does not work very well in that direction. However, I believe it is a most important argument to use. First, on the basis of that presumption, the veteran at 60 is certainly entitled to have the means test lifted, and by the time he is 70 I think we could very well pay him the full amount of the old age pension and the war veterans allowance. However, I admit I have not made a very good case for the latter although I have made an excellent case for the first proposition, namely, that the means test should be eliminated.

The Legion has not gone that far. They have not asked that the means test be eliminated entirely. They have asked that the means test be raised to the approximate level of the income tax exemptions. They suggest that the ceiling on permissive income in the case of the single veteran should be raised to $1,200 and the ceiling on permissive income in the case of the married veteran should be raised to $2,000. The justification for that of course is that when that exemption was established under the income tax it was established on the basis that a person with an income of less than that could not live on less and therefore should not be taxed. For the same reason, if a single man cannot live on less than $1,200 a year and a married man cannot live on less than $2,000 a year, then the ceilings on income should be raised to those amounts in order to make it possible for the veteran to live a decent life. No veteran can live a decent existence under the miserable ceiling now prevailing.

I should like to draw the attention of the minister to the fact that in 1952 the committee made a recommendation regarding the war veterans allowance which reads as follows:

> Your committee further recommends to the government continued and sympathetic study of the needs and requirements of recipients of war veterans allowance, keeping in mind the recommendations of veterans organizations in that respect and particularly with regard to permissive income.

This year the committee made what is in reality a similar recommendation. It asked the government to give sympathetic consideration to the recommendations of the veterans organization. I hope the minister and the government will give the matter further consideration and find it possible to go at least as far as the recommendation of the Legion, even if they are not prepared to adopt my proposal to wipe out the means test at the age of 60.

**Mr. Philpott:** Mr. Chairman, I am glad that the last words I will be privileged to say in the house at this session will be along exactly the same line as my first words in the house, the strongest appeal I can make for some consideration for people on war veterans allowances, both with respect to the limit of the allowance and, in particular, the ceiling on permissive income. I want to take the few minutes before six o'clock to talk a bit about the work of the special committee.

I was trying to think the other day of just what we had done in this session of parliament and what we had left undone, whether I was proud of having done anything or ashamed of having done something. I was trying to total up the things that really mattered, and one small thing came to my mind. I had the privilege of writing a letter to the minister with regard to adopted children of war pensioners. I tried to use what influence I had to get him to put them on a par with natural children, and I think the greatest thrill I got at this session was to see the minister take steps a few days later to make provision for that in the law.

I hasten to add that hon. members on this and the other side of the house, who for so many years have fought so well for the veterans, no doubt suggested that long before I did, but perhaps I just happened to write at the particular time. I want to pay tribute to two members of the veterans affairs committee for the work they did. In my humble opinion the finest job was done by our chairman, the hon. member for Rosthern, who did an extremely difficult job to the satisfaction of all concerned. I also got a thrill when on the last day of our sittings I heard the clerk say that we have the highest rate of attendance of any committee of the house. I admit that a good many of our sessions were pretty hot, but I think if members of the four different political parties will look back on the work that was done in that committee they will agree that we were all trying to achieve the same purposes.

We have heard today about a resolution that was ruled out of order. I have not heard anything yet about the one that was ruled out of order by the same chairman the day before, and which happened to be a resolution moved by two British Columbia Liberal members, the hon. member for Vancouver-Burrard and the hon. member for Burnaby-Richmond. Its purpose was to more or less implement the proposals in the Legion brief for higher war veterans allowances and a higher permissive income.

The second hon. member to whom I want to pay my tribute is the modest member for Cape Breton South. A few weeks ago I heard him make a speech on international policy which I thought was one of the most important things I had heard in the house this year. Although it did happen to be an expression of C.C.F. international policy, it was an important speech, and if I were a Russian diplomat I certainly would have paid very close attention to it because it seemed to me to be a speech coming from the heart of an honest man. The work done by the hon. member for Cape Breton South in the veterans affairs committee this year was a peace-making job.



We were faced by a practical difficulty. The terms of reference of the veterans affairs committee were narrower than most members of the committee wished to have. I know quite well every member of that committee would have been delighted had we had before us the War Veterans Allowance Act, and had we been able to make recommendations for concrete increases in those allowances and in the ceiling on permissive income. Some hon. members may recall that I ventured to suggest when we were unsuccessful in having the terms of reference widened, that we would find ways and means of discussing the war veterans allowance. This turned out to be the case because in the debate we had over the precise form in which we were going to lend our moral support to the Legion brief I think the hon. member for Cape Breton South and the chairman, as well as one or two other members of the committee from other parties, put their heads together, and we all know what the end result was. The end result was that in the second to the last paragraph of the final report of the veterans affairs committee we gave our wholehearted support to the Legion brief and the submissions they made for increases in the war veterans allowance and a rise in the ceiling on permissive income.

I want to say also that I thought the work of the veterans affairs committee this year showed itself as very valuable. I heartily support the proposal made by the hon. member for Cape Breton South that this veterans affairs committee be made a permanent standing committee. We should not have to have it set up specially every year. I shall cite just one small example of the benefits we have this year from this committee. The hon. member for Cape Breton South discovered that there was a weakness in the Unemployment Insurance Act, in that it excluded certain categories of veterans. He took that up with the Minister of Veterans Affairs, and we all know the sequel. The sequel was the introduction of a new bill to remedy this grievance.

I must say that I go home from this session with mixed feelings. I am frankly disappointed that the government did not feel able to completely accept the recommendations of the Canadian Legion concerning war veterans allowance, and particularly in regard to their feeling on permissive income. I could not agree altogether with the hon. member for Acadia, for whom I have great respect, about that business of the old age pension. I believe that if the permissive income were not even put as high as the Legion requested, which was $1,200, if it were even set at $1,080, that would solve

the difficulty because that would amount to $40 a month. This would mean that a man could draw his $50 a month that he now draws, and when he gets to age 70 he would automatically be entitled to the old age security pension without any deduction because he would still be under the ceiling.

I want to say once again, Mr. Chairman, just as strongly as I can that I urge the minister and the government to give sympathetic consideration to the people on war veterans allowance. I say that not just because there are hundreds of them in my riding or because we have thousands of them in British Columbia. When I wake up in the morning and begin to read the newspaper and I see, for instance, that last night in some little rooming house perhaps in one corner of my riding some old worn-out ex-warrior turned on the gas, I must confess I do not feel too happy. Usually, when they examine his accounts they find that he just could not get by on $50 per month. I, for one, have no hesitation whatever in saying that in the two far western provinces, Alberta and British Columbia, the fact that the old age pensioners draw $55 a month is a real source of grievance to the people who served their country in time of war and who are now forced to live on $50 a month.

Once again I urge the minister to continue to give sympathetic consideration to this proposal. I cannot state publicly that I know where the minister's sympathy lies in this regard. May I urge upon the minister and the government again, as I have so many times before, to continue to give to the war veterans allowance every sympathetic consideration. In addition to that, in the coming months they should give even extra consideration to what seems to me to be by far the most important part of this whole question, and that is the ceiling on permissive income. I have no way of knowing what was in the minds and hearts of the people who had to make a decision that this government was not able to afford an increase in veterans allowances this year. I, for one, might hazard a guess that had the Legion not asked for an over-all rise from $50 to $60 per month, but had confined their request to the more important grievance, the low limit on permissive income, perhaps we could have obtained at least one of the things which I think every hon. lady and gentleman in this house wishes as much as every other.

**Mr. Nesbitt:** Since we are sitting again at seven o'clock, may I call it six o'clock?

**[Mr. Philpott.]**

**The Chairman:** May I remind hon. members that pursuant to special order the committee will resume at seven o'clock this evening.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at seven o'clock.

**Mr. Nesbitt:** Mr. Chairman, I should like to make a few brief remarks on this first item in the estimates of the Department of Veterans Affairs. First of all I should like to compliment the minister on the veterans legislation that was put forward by the government, considered by the special committee on veterans affairs and subsequently passed.

I should like to mention particularly the amendments to the Veterans Land Act, because I think these are certainly very beneficial to the veterans who served in all fields of hostilities, and they are most commendable. I would say the same with respect to the amendments to the Pension Act, with the exception of that one section which had to do with the setting of the salaries of the commissioners. And of course I cannot refer to that at this time. In any event, on the whole the legislation referred to the special committee was commendable.

For a few moments I should like to deal with two recommendations set forth in the brief of the Canadian Legion and which thus far have not been acted upon by the government. The first item in this connection has to do with the submission by the Canadian Legion with respect to dependent parents. The fact that the government recognized that a dependent widowed mother should be placed on the same footing as a widow was recognized in the original legislation. However after 1951, when changes were made in pension rates, the pension of a widow was raised to a maximum of $100 a month from $75, whereas that of the widowed mother remained at $75. Without going into the details in the Legion's brief I would say that in my view they presented a capable argument on the point, and showed that pensions for widowed mothers of veterans should be increased at the same rate as widows' pensions were. As the principle was recognized in the first place I cannot see any logical reason for not continuing it.

The matter of war veterans allowances has been probably the most contentious in the field of veterans affairs during this session of parliament. All of us realize that the

special committee on veterans affairs had very limited responsibilities. It considered only certain legislation proposed by the government, and its activities could not extend beyond that. When the various government bills referred to this special committee were being considered evidence was heard from various veterans bodies, and from others; and inevitably, of course, the matter of war veterans allowances did creep in. My recollection is that at one time or another most members of the committee expressed the view that war veterans allowances should be increased, or that they were sympathetic toward such increases.

I agreed thoroughly with the remarks this afternoon of the hon. member for Cape Breton South when he said that the activities of this special committee should not have been hamstrung from the start, and that a standing committee on veterans affairs should be established. I hope this will be done at the next session of parliament.

However a most interesting situation arose when the hon. member for Royal, if I may coin a phrase, tried to "unhamstring" the activities of this particular committee. The hon. member made a motion which, in effect, attempted to enlarge the activities of the committee, in which he suggested that parliament be requested to change the terms of reference of the committee so that the subject of war veterans allowances could be considered. It was interesting to note that all government members on the committee as well as two members from one of the other parties to my left voted against this request.

**Mr. Philpott:** May I ask a question? That is not right, at all. The government members voted to uphold the ruling of the chairman, who had dealt with points of order for about two hours, and gave a ruling showing how the amendment was clearly out of order. In view of the fact that we had expressed our hearty support of what the thing was supposed to be doing, I think everybody understood exactly what the score was.

**Mr. Nesbitt:** The hon. member for Vancouver South said he wished to ask a question. I would like to know what his question is.

**Mr. Philpott:** Was not the vote to which the hon. member referred a vote to uphold the ruling of the chair, and not on the substance about which the hon. member is talking.

**Mr. Nesbitt:** The vote certainly was to uphold the ruling of the chair; that is true. But in effect what was being voted on was a motion by the hon. member for Royal to request parliament to extend the activities of the committee. And I believe the hon. member for Vancouver South knows perfectly well that that was the effect of the motion. It is true of course that from a technical point of view we were voting to uphold or to reject the ruling of the chairman. In effect however what happened was what I have just mentioned.

In his remarks this afternoon the hon. member for Vancouver South referred to an earlier motion by the hon. member for Vancouver-Burrard with respect to war veterans allowances, and which members of the government party from British Columbia were prepared to support. The motion was ruled out of order at that time. The only observation I have to make is that when it was ruled out of order I failed to understand why the hon. member for Vancouver-Burrard did not appeal the chairman's ruling, which he was entitled to do, and which the hon. member for Royal actually did when his motion was ruled out of order. However all these facts are available to hon. members, and I can see no point in continuing the discussion further. Everybody who reads the report of the special committee on veterans affairs can see what occurred; but I just mention this in passing. It seems strange to me that some hon. members, who I am sure were genuinely sympathetic—in fact I think most members of the committee, if not all, were generally sympathetic—to war veterans allowances, failed to act in this matter when the opportunity to do so arose.

In their brief to the government the Legion set out clearly, concisely and reasonably the reasons why they felt war veterans allowances should be raised from $50 a month to $60 a month for a single man and from $90 a month to $120 a month for a married person; and also that the ceiling on permissive income should be raised. I believe the amount suggested was from $750 to $1,200 for a single person and from $1,200 to $2,000 for a married person. It is my understanding, and I am open to correction on this by the minister, that the suggestions made by the Legion would cost about $3 million a year, which does not seem to be a very extravagant amount. I am quite sure that most citizens would not object to paying another $3 million a year to help our older burnt-out veterans.

In his budget speech this year the Minister of Finance announced that owing to certain tax reductions there would be a decrease of $36 million a year in income. Without going into details, these tax reductions were brought

about by the removal of taxes on fishing rods, golf clubs, electrical appliances, perfume, pinball machines and things of that sort. I do not think there is a citizen in Canada who would object to having taxes to the extent of $3 million remain on pinball machines, perfumes, golf clubs and so on, if some of our older veterans who are not able to support themselves could be paid the war veterans allowance. For that reason I feel that it certainly should have been considered by the government.

Of course there are many sad individual cases of people who need increases in war veterans allowances, and one could cite them at great length. To illustrate the fact that I honestly believe that war veterans allowances ought to be increased, I should like to read a section, and only a section, of a letter that I received recently. The writer of this letter is a Mrs. A. Williams who resides at rural route No. 1, Drumbo, Ontario. I shall quote only the pertinent parts of the letter. They are as follows:

> There is, however, one thing of interest to me, that of the veterans allowance. As a receiver of this allowance, I would at this time like to explain, if I may be permitted a little of your time, that the general public are wrongly informed of this. A while ago great write-ups in the news that the veterans were getting an increase (33⅓ per cent) in their pensions. This covered all pensioners whether receiving $100 or $20 pensions, this they did. Then more write-ups that the government were increasing the veterans allowance from $40 to $50 single men and from $60 to $90 for married. Naturally the public were under the impression, the vets were being exceptionally well cared for. I am just one of many, but would like to explain just how this worked in our case. In 1950 my husband, unable to work, applied for the veterans allowance. He was receiving a small pension of $28. When the inspector found that I couldn't work either, owing to a heart condition, they allowed him $66.66, which they said was the maximum, making our total $94.66 per month. In 1952 they gave the 33⅓ per cent increase and then the increase in veterans allowance. So we receive $34 pension now and $66 veterans allowance (66 cents less veterans allowance), making now $100 per month, but where do they get a raise in veterans allowance? Naturally the public figured we received an extra $30 on top of the $60 we were already receiving, which if it really were so, would only be $130 per month. I am sure there are many others like us, and we trust this matter will soon be passed in the house, for I assure you it is most difficult to manage with taxes, insurance and living, etc., increasing and no increase in income to cover same.

Without taking up any more time, may I say I have no doubt that other examples will be cited during the remarks this evening. I should like to mention one further matter. I am sure the government is aware of the fact that most of the recipients of war veterans allowance are not young men. They are men of 50, some are getting close to 60 and others are also getting close to the time when they should receive old age pensions. In view of the fact, as has already been pointed out, that many of these people are passing away, and passing away rapidly, the government should bring down legislation, if at all possible this session, and if not at this session at the beginning of the next session, to increase the war veterans allowances, as has been recommended by the Canadian Legion.

This matter was not lightly gone into by the Canadian Legion. They have looked into it very carefully, and I cannot see that in any way the requests of the government are unreasonable. The request of the Legion should be given most careful consideration and legislation along these lines should be brought down as soon as possible before any more of these burnt-out veterans pass away.

**Mr. McIvor:** I have just a few words to say. We should give credit where credit is due. The government has done a fine job in helping the young men of the second world war. Many of us know young men who had not completed their education but who had hopes of doing so, and when the war broke out everything went by the board and they went overseas. The way in which these young men were sent back to school is an outstanding epic in the history of Canada. Some of them graduated in arts; some of them graduated in law and medicine. It is a credit to the government, but it is no more than the young men deserve.

I have had a little to do with the present Minister of Veterans Affairs. In the last ten years I have spent some weeks in Maniwaki, P.Q. There was a veteran there of the first war, an outstanding bushman who knew bush work, who was a specialist. When the second war broke out he was practically told by the enlisting officer that he was not doing his duty unless he used his gifts to head up men in the forestry battalion. He went. Eight years ago I advised him to get a pension. He was not fit to work. He could not hold his job. But there was a streak of independence in him which would not allow me to help him get his pension. Not six months ago he was unfit to work and was not able to take care of himself. I placed his case before the minister and he was received into hospital. He is now getting a pension which was his due. It is a credit to the minister.

I would like to add my tribute to the land settlement committee for the work it has done. I recommended a farm to the land settlement committee at Fort William. I took the man's word for it that it was fit to support a man, his wife and family. The committee then asked me to go out and see the farm for myself. There was a fine house on the farm, good stables, and some equipment, but it amounted to only 40 acres. That

farmer did not sell his farm to the credit of the land settlement committee. Of course, I lost a friend, or perhaps he was a friend. The land settlement committee has done a fine job and it is too bad it was not permitted to do the same kind of job after the second world war.

I heartily support the plea for an increase in the war veterans allowance. These men have given their best and they are not the men they were when they went overseas. They deserve the best this country can give. I also support the plea made on behalf of veterans who have reached the age of 60 and who served in a theatre of war; I do not think there should be a means test in their case when they reach the age of 60.

When I was home at Easter I spoke to a man who had four Christmas dinners in the trenches. You can visualize that man now with his feet all wet, sleeping in his clothes, with no comforts, and not knowing when he would be called across the river Jordan. I think we can rely on the Minister of Veterans Affairs to see to it that our veterans get a pension without a means test at the age of 60.

Now, Mr. Chairman, I do not see any reason why the veterans affairs committee should not be appointed permanently, because it is practically always the same members who serve on that committee. It is a very important committee and I just wish to say that I appreciate the services of the chairman. I also appreciate the services of the chairman of the pension board for the treatment given veterans at the lakehead—when I have presented cases for their consideration. I have failed in only one case, and cases are brought to my attention almost weekly.

I remember one case in particular—and I hope to revive it again—concerning a man who was in the first world war. One doctor, who was a specialist in his own line but who was not a soldiers' doctor, found he had shrapnel in his liver and being a Scotsman he went to work when he was not fit and finally had to be taken to the hospital. That man never got a pension and after a little while he passed on. In addition, his widow never received a pension and I hope some day that that woman will be treated as she ought to be.

**Mr. Herridge:** Mr. Chairman, I am one of those who was very glad the government finally responded to the pleas of members of the house in regard to the setting up of a special committee on veterans affairs this year. Once again I wish to associate myself with other hon. members who not only this year but throughout the years have suggested that this committee should be a standing committee of the house which could deal with the rapidly changing circumstances we meet from day to day which in turn call for a regular review of veterans legislation each year. Such a committee would give the veterans' organizations an opportunity to appear before it and bring to the attention of the committee the changes which may be necessary to make legislation more effective and serve veterans and their dependents to better advantage.

Before continuing I must say that the chairman of the committee in general did a good job indeed. All the members of the committee expressed that view before the committee concluded and I wish to say, in connection with the votes on the disputed amendment, that he is to be congratulated on doing his homework. I expressed my appreciation before and I might add here that he took a very long time to explain the reasons for his decision, he was very fair indeed in connection with the votes, records and conduct of the proceedings.

The committee did very good work on the four bills which were brought before it. I am not going to deal with them now at length. There were some very helpful amendments to the Canadian Pension Act, the War Service Grants Act, the Veterans Benefit Act. In dealing with these bills I know all the members of the committee appreciated the assistance given by the officials of the department.

I might add at this point that we are not criticizing the administration's officers. We are not criticizing their administration when dealing with the estimates. We are dealing with the question of legislation and criticizing the government on that score. In my opinion, and I think I am expressing the views of the members of the committee, the administration of our veterans legislation is in excellent hands so far as the officials are concerned and here I am referring to the Canadian pension commission and the war veterans allowance board and all the other administrative officers. I am sure the members of the committee appreciate the work they are doing to give effect to the will of parliament.

What we are trying to do this evening is to get the government to improve that legislation. As we have said before, we have excellent veterans legislation and I think without question it is the best in the world. But, as one hon. member said previously, that is not the sole standard. We should give what the Canadian nation can afford and within that amount do the best we can for veterans and their dependents. That is why we are urging certain amendments to the legislation this evening.

Before leaving the question of the four bills dealt with in the committee I wish to support the suggestion made by the hon. member for Acadia with regard to an amendment to the Veterans Land Act. Generally speaking the amendments provided a great improvement in the act and will be of benefit to large numbers of veterans in Canada who have been unable to obtain satisfactory sites for home building under the present legislation. There are two points in particular on which I wish to support the hon. member. We are very sorry that the administration of a certain section of the act, after the preliminary work is done, is to come under Central Mortgage and Housing Corporation. Not that we are critical of that corporation, but the Veterans Land Act administration has a good record on behalf of veterans all across the country, and I am quite certain that the veterans of this country who are taking advantage of that act, or desire to take advantage of it, would prefer to come under the direct, efficient, and fair administration of the officials in charge of the Veterans Land Act administration.

I would like also to support the hon. member for Acadia with respect to his criticism of the increase in the interest rate. Now, the committee was helped a great deal by the representations made by the various national organizations, namely, the Canadian Legion, the British Empire Service League, the National Council of Veterans, the Canadian non-pensioned veterans widows and the Canadian merchant navy veterans association. Before passing on I want to say that I think it is only fair to express some admiration for the very valiant little body of widows who come to Ottawa once a year to present their views to the committee or, if the committee is not sitting, to the minister, his officials, or various members of parliament.

I shall always have the great distinction, Mr. Chairman, of having been the chairman of an unofficial veterans affairs committee called together by government and opposition members at which these ladies made their representations last session. I think at the time the minister was somewhat concerned about what was going on. One of the dear old ladies said to me, "What shall we do?" She said, "We want to have our say". Others said, "We have briefs". I said, "Do not turn up with a brief in your hands; keep it in your handbag. If Colonel Brooks asks if you have any representations to make, you can pull it out and make your representations". Everything went off very well indeed in that unofficial committee. I think these women all deserve a great deal of credit for having an interest in this question. I know they have been of assistance to the minister's officials on occasion because of their close association with veterans and their dependents in necessitous circumstances.



The Legion, as usual, made its excellent representation. I think all members of the committee would agree that the Legion has made a great contribution towards the development of veterans legislation in this country. I am sure that is a view that is accepted by all members of the committee. The record of the Legion proves that it has always had a sense of responsibility which included their responsibility to the veterans and their dependents in this country and as well their responsibility to the Canadian people, the taxpayers of Canada. On that account I think their representations are listened to with particular care. Whether people say so or not, they recognize that the Canadian Legion do not make representations to the cabinet, to the veterans affairs committee or to any other persons unless they are based on extremely strong grounds indeed. That is the foundation of the representations made to date.

The Legion came before this committee after making representations to the cabinet early in November. Certain officials of the Legion came before this committee and made further representations and they made an exceedingly helpful submission indeed. They dealt particularly with the necessity for an amendment to the War Veterans Allowance Act to increase the amount payable to single people to $60 a month and to married persons to $120 and to raise the permissive income.

I said that the Legion has a strong sense of responsibility. We all recognize that fact. They do not ask for something that the people of Canada cannot afford to pay or for something that is not badly needed. In addition to that consideration, the fact that their representations express the opinions of the rank and file and of many people in Canada is indicated by the resolutions that members of the House of Commons have received, not only from Legion branches—which is to be expected—and other veterans organizations but from women's organizations, from chambers of commerce and from other community organizations who recognize the need for some assistance to the veterans at this time, as well as letters from their own constituencies. I am sure every member of this committee has received a continuing correspondence which indicates the need for amendment of the legislation. The hon. member for Vancouver South, when speaking

this afternoon, indicated the need by mentioning certain facts. I think he mentioned the fact that one old veteran had committed suicide by gassing himself.

**Mr. Philpott:** More than one.

**Mr. Herridge:** More than one, the hon. member says. He also mentioned that their papers and correspondence indicated that the major cause of their trouble was economic, in that they could not exist on the present war veterans allowance.

Then there are the newspaper editorials. When you find large daily and weekly papers throughout Canada supporting the plea of the veterans, not on one occasion but repeatedly, there must be some extremely sound grounds for the representations of the Legion and for the representations that members of the house have made for amendment of the War Veterans Allowance Act. Newspapers try to reflect public opinion and, in order to maintain a certain popularity, to express in editorials and news items opinions that reflect what the people are thinking in the areas which they serve.

Before concluding I want to deal briefly with one editorial and to indicate the situation in British Columbia. I know that British Columbia is a bit of a thorn in the side of the minister and some members of the government with respect to veterans affairs but that is because the British Columbia people are the most progressive people in Canada. They are always looking ahead, and seeking improvements.

**Mr. Brooks:** Modest people.

**Mr. Herridge:** I must say, Mr. Chairman, that I was pleased to be associated with the hon. member for Royal in doing the things the people of Canada want us to do in this respect.

Here is an editorial from the Vancouver *News-Herald* of Wednesday morning, May 12. It is headed: "'Burned Out' Veterans Living in Squalor; will Ottawa continue to be Callous?" Then we have another one here dated May 20—which shows that it is a current issue in British Columbia—which is headed: "In Their Time of Need, Ottawa Fails the Men who gave all but Life for Nation". Then there is another editorial of a subsequent date in similar vein. But I want to read this small news item which is headed: "Burned Out Vets Get Help Offers". I may say that this is from the *News-Herald* of May 20 of this year. It reads as follows:

The *News-Herald* is being flooded daily with calls from Vancouver citizens interested in the plight of "burned out" veterans, telling of tragic cases or offering help.

The offers, from people in all walks of life, are only a drop in the bucket when one considers there are 10,000 men and women in Vancouver being forced to live on the $50 a month granted "Old Sweats" by the Veterans Allowance Act.

They cannot all be helped privately. Many will be forced to continue their pitiful existence: People like Fred B.

Fred is 61 and an accountant. Out of his $50 pension cheque he has 17 cents to keep him until the end of the month.

"I don't want charity from the government or anyone else," Fred maintains. "I want a job. Surely there is some place where my experience and ability would be valuable.

All the veterans allowance does for me is to keep me alive so that I can suffer the pangs of hunger over a long period and worry myself ill.

When the government can find time to discuss and endorse the raising of politicians' salaries,—"

I agree with that.

"—you'd think they could spare a little time to consider the plight of men and women in positions similar to my own.

When an election comes around we are the people. We are voters, 'loyal constituents,' the hand of friendship is held out. Once the owner of that hand is elected he proceeds to use it to pat his fellow party members on the back or to wave us aside as he says, 'Sorry, can't worry about you burned out bums this session.'"

We are extremely anxious to see something done about these unfortunate comrades this session. One could go on and read endlessly letters and news items that indicate the plight that many veterans and their dependents are suffering at the present time.

When we came to discuss this matter in the veterans affairs committee many of us realized that a unanimous resolution was adopted by the special parliamentary committee on veterans affairs in 1952 urging action on the war veterans allowance, that nothing was done to increase the over-all allowance for all who are entitled to receive war veterans allowance in Canada but only certain minor adjustments were made which were of benefit to the persons concerned. But even those adjustments are totally inadequate under present conditions. We felt that the Legion's representations to the committee—we had full knowledge of the situation as had all members of the House of Commons—further emphasized the need.

Because we know of the situation in the country, we felt that something should be done this session, and we felt that something should be done because the government has said "No". I do not believe in lying down when the government says "No". I believe that that is the time to start working all the harder. I am convinced that the work of the members of the House of Commons in connection with this legislation will finally produce results. Because the government said "No" to this crying need on the part of veterans and their dependents in Canada,

the hon. member for Royal moved his resolution urging that a recommendation be included in our report that the house extend the terms of reference of the veterans affairs committee—

**Mr. Gillis:** That was not it at all. The hon. member wants to be correct on that point. That was the motion that the hon. member for Royal moved. The hon. member for Royal moved that the committee would go back to the house in order to have the terms of reference extended.

**Mr. Herridge:** That is just what I am saying.

**Mr. Gillis:** That is not what the hon. member said.

**Mr. Brooks:** Oh, yes.

**Mr. Herridge:** Pardon me; that is exactly what I said, namely that it be included in the report made to the house to ask the house to extend our terms of reference.

**Mr. Brooks:** Exactly.

**Mr. Gillis:** No, Mr. Chairman. Of course the chairman should be correct in this. There was already before the committee a report suggesting that very thing, namely, that the government give further consideration to the matter of the war veterans allowance and the merchant services. The motion of the hon. member for Royal had no reference at all to the report that the chairman had already read to the committee.

**Mr. Brooks:** I want to correct the hon. member, Mr. Chairman—

**Mr. Gillis:** I am correcting him now.

**Mr. Brooks:** The hon. member needs to be corrected also, because there was no report before the committee at all.

**Mr. Gillis:** The hon. member for Royal just made a political motion; that is all.

**Mr. Brooks:** I object to that. The hon. member for Cape Breton South has supported these so-called political moves at every meeting of the veterans affairs committee. My motion was not political. As I pointed out there, if there was anything to be gained by playing politics the government would be the first to play politics and the first gainers would be the veterans. We had nothing to gain at all. The hon. member says that it was a political move, but may I say that time and time again since 1940 he has supported motions of the same kind in the veterans affairs committee. It is said that the hon. member is looking for a senatorship, and it has been noted that he has been showing more consideration for the government, especially in the veterans affairs committee, than he ever showed before.



**Mr. Gillis:** The only suggestion I ever heard about a senatorship came from the communist press, and it would seem that my hon. friend is trying to help his own party by using their smear tactics in the house.

**Mr. Harkness:** Anybody who says you are using smear tactics is using smear tactics himself.

**Mr. Gillis:** I am more interested in getting something for the veteran.

**Mr. Brooks:** You did not show it in the committee.

**Mr. Gillis:** The motion of the hon. member for Royal was an impossibility and he knew it.

**Mr. Brooks:** I did not know it.

**Mr. Gillis:** I was interested in getting a report back to the house that said something about the matter rather than having six or seven opposition members vote for something that would have no effect whatsoever.

**The Chairman:** Order.

**Mr. Herridge:** Mr. Chairman, I was just dealing with the historic sequence of the motion moved by the hon. member for Royal prior to any report being made by the committee. I am not going to outline that any further.

**Mr. Tucker:** Mr. Chairman, if the matter is in doubt I think that exactly what did happen should perhaps be put before the house. The draft report, which was drawn up by myself at the suggestion of several members of the committee, was before the committee and it was finally adopted in exactly the same form. It appears in volume No. 14 of the minutes of proceedings and evidence of the veterans affairs committee. The draft report was before the committee and it recited the fact that representations had been made urging changes in the War Veterans Allowance Act to raise the amount of allowance payable thereunder and also to raise the level of permissive income. We recommended that the government give sympathetic consideration to such submissions. To that there was an amendment moved that we ask for an extension of our terms of reference so that we could consider the War Veterans Allowance Act.

**Mr. Gillis:** At this session.

**Mr. Tucker:** The argument of the hon. member who has just spoken was to the

effect that even if we got the terms of reference extended we could not make a stronger recommendation than we were proposing to make and he suggested that if we endorsed the report unanimously it would be much better than passing a resolution to extend the terms of reference. That is exactly what the hon. member for Cape Breton South pointed out.

**Mr. Brooks:** Did the hon. member who has just spoken say that my motion was an amendment to the report? It was not an amendment to the report at all. It was moved before the report was considered.

**Mr. Tucker:** The draft report had been handed to the members of the committee.

**Mr. Brooks:** The motion was made before that time.

**Mr. Tucker:** Then the motion was made by the hon. member after that draft report was before the committee.

**The Chairman:** The hon. member for Kootenay West.

**Mr. Herridge:** Thank you, Mr. Chairman. I thank the chairman of the special committee for the information he has given. That is exactly what I was explaining. I have a pretty good idea what happens in the committee and what goes on, and I am simply mentioning—

**Mr. Gillis:** You were away for most of it.

**Mr. Herridge:** Mr. Chairman, the hon. member for Cape Breton South said that I was away for most of it.

**Mr. Gillis:** That is right.

**Mr. Herridge:** I am never away from the house or a committee unless I am ill or on some official duty. I was away from a few meetings on account of having to open an airport in my constituency, and I regretted having to be away at that time. Possibly the hon. member means on that account I overlooked some of the discussion.

**Mr. Gillis:** That is right.

**Mr. Herridge:** That may be right, but anyway my point is that the hon. member for Royal moved this motion and we saw fit to support it because it asked for action this session. I am not going into the question of the chairman's ruling or anything else, and I am not going to deal with that point further because what we are anxious to do is to get some action on the part of the government to amend the War Veterans Allowance Act. It is the sense of urgency and the need that caused members to urge action at this session.



**Mr. Brooks:** You do not get it by lying down to the government either.

**Mr. Herridge:** No. The time is short. These old veterans are getting older and older. They are dropping off and many of them will not have the opportunity to receive the benefits of the legislative amendments that are required. That is why we fought for action at this session to increase the amount to $60 for a single veteran and $120 for a married veteran and to raise the permissive income, and we will continue to fight on behalf of our less fortunate comrades. This afternoon an hon. member suggested a figure of $3 million. I am not sure whether that is correct, but whether it is $3 million, $4 million or $15 million what a pitiful little sum it is out of our total production and wealth that is required to make happier the lives of these veterans and their dependents for whom we are fighting tonight and will continue to fight. They have not many more years to live, but I trust the government will take action soon so that many of them will enjoy the benefits of the legislation for which we are asking.

**Miss Bennett:** Mr. Chairman, I have been rather late in making remarks in the house but sometimes it is better to be late than a little too early. I am very happy that the first remarks I make rather extemporaneously should be with respect to the veterans of this country and in connection with a subject that is very close to our hearts. It has really done me a great deal of good to see how the house has considered these matters before it and the importance that various hon. members have placed on the subject that we are discussing.

In listening to the hon. members who have spoken one point comes to my mind that I do not think has been raised and it has to do with veterans pensions and allowances as they concern dependent parents. We have been speaking of the pensioners themselves and of their widows, and I should like to say a few words about dependent parents. What I am going to say arises out of my own experience with two cases that have come to my attention within the last few months. Not long ago a mother came to me whose son had been killed in the first world war. Over the years she has been receiving a pension of $40 a month on behalf of her deceased son. She became eligible for the old age pension and received the pension. In due course she was notified that she would no longer be eligible for the pension awarded her under the veterans legislation. That was a very great hardship because I think the understanding is that the old age pension

comes as something extra, something to help men and women to have a little extra in life.

The effect of not raising the exemption for veterans and the allowances they are permitted to have before the pension is taken away from them is really to penalize the veterans, and I think we are also penalizing the parents because we are making it a penalty to receive the old age pension.

It is fundamental that the minister and the government should consider this question and place it in its proper perspective. I believe the parents of sons who have gone overseas, and who have not returned, people who have given everything they have to this country, are still entitled to receive the reimbursement for the actions of their sons and daughters, and at the same time should be entitled to the pension every other man and place it in its proper prospective. I country receives. On behalf of these parents I ask that this matter be given consideration by the minister and by this government.

**Mr. Hosking:** I do not intend to take up very much of the time of the committee this evening, but there is one point I should like to bring to the attention of the minister. It concerns the bachelor who has earned rehabilitation credits, but because of the regulation controlling these rehabilitation credits finds it impossible to draw them. If a person has no dependents, it is not much satisfaction for him to take out insurance that can be paid only at his death or at a time when he is so old it is not of much value. If he is living in a boarding house there is nothing that he can buy for which he could use his re-establishment credit. If he is not working at a job where he requires an automobile or some other equipment necessary for the job, he cannot spend the credit on that.

There must be some people who are in a position where they cannot draw their re-establishment credits. I would think that at this time it would be proper, when most of the veterans have re-established themselves, that those who have not used their re-establishment credits and who cannot draw them by reason of the regulations, should be permitted to use those credits to purchase a 20-year endowment insurance policy. A change could be made in the regulations to permit the veteran to do this. Then, he would have this money, along with some more he might have added to it, upon which to draw. I would sincerely recommend to the minister that for the sake of the veterans who are entitled to re-establishment credits, and who have been unable to draw them, a change should be made in the regulations.

[Miss Bennett.]

**Mr. Hahn:** I was pleased to see that the Department of Veterans Affairs saw fit to change so many of the acts applying to veterans at this session. This gave veterans an opportunity to take advantage of the improvements in these acts. I am pleased also to see that we have such a stalwart in the person of the hon. member for Fort William, who is so interested in helping people. I believe we could all say it does not matter who it is; he is always ready to assist the war veterans or anyone else out of his great generosity. I should like to say that I hope the government itself will endorse some of the things he advocates, and that he can get a little closer to the heart of the government so that we can get a little more for these war veterans who are on allowances. For a few moments I was afraid we were going to hear the truth about the truth about the truth about the War Veterans Allowance Act, similar to what we heard in connection with the wheat situation a few days ago. However, we finally got that straightened out, and the facts were put properly by the chairman of the committee.

I am not a member of the veterans affairs committee, and therefore have a possibly somewhat different point of view in connection with this War Veterans Allowance Act. I am the representative of the New Westminster riding which probably, on a per capita basis, has a greater number of recipients of war veterans allowance than any other riding in the dominion. There are approximately 9,200 war veterans in the province of British Columbia who come under that act. I would say that represents about a quarter of the total in all of Canada. Because of the fact we have a fine climate and everything that goes with it on the lower mainland, most of them apparently have settled in my particular riding. The hon. member for Fraser Valley says the same is true of his riding.

Possibly I should take a moment or two to draw your attention to the history of this particular subject, but I do not believe it is necessary. All of us are familiar with how the resolution was introduced, how everyone tried to take part in the debate and how we were stopped; how the terms of reference were limited and the matter was referred to the committee for study. We were all very frustrated by the thought we were not going to be able to do anything for the war veterans before the estimates came down, and such proved to be the case.

Then some hon. members, including myself, gave notice of a resolution asking that this question of the burnt-out pensioners be raised. The purpose behind such

a resolution—I am not going to discuss it at any length—was to draw the attention of the government to this problem in the hope that if they did not do something this year they would do something next year. I will not be like the hon. member for Assiniboia and sit down, but if the government will promise to do something about the matter I shall remove my resolution from the order paper tomorrow.

The hon. member for Burnaby-Richmond, seconded by the hon. member for Vancouver-Burrard, presented a resolution along similar lines to the veterans affairs committee. I would have you note that they are members of the party that is in power. I might say there were literally dozens of people in this house who, during the throne speech debate, indicated the desirability of increasing the war veterans allowance. Now, because of the fact that the terms of reference to the veterans affairs committee were so limited, there was a great deal of disappointment expressed amongst three groups of people particularly; members of parliament, the war veterans themselves, and the people of Canada as a whole. The members of parliament were somewhat disappointed because every party in this house has indicated from time to time that they wanted an increase in that allowance. The veterans themselves felt that they were not "off the beam", and that they were not asking too much in their brief.

The fact is that they had been assured during the recent election campaign that everything would be done to institute these particular claims. Many of the claims were endorsed by members of the Liberal party in British Columbia. I must say that those gentlemen had the decency to stand up and reiterate those requests. The people of Canada do feel quite badly about this. They feel, and I would number myself amongst the group, that we have broken faith to a large degree with the war veterans. We have promised them something in the way of assistance for the past two years, and they are still looking for it.

This government has been frank in telling the veterans when they first came there would be nothing for them. As a result of that each one of us was deluged with a large number of letters asking that we entreat the government to take another look. I am sure the Prime Minister and the Minister of Veterans Affairs received the same letters and telegrams, or copies of them, that were received in my office. And still the answer was, no. Some of the letters read: We do not have enough food. Or they might read: We have enough food and enough money for taxes and utilities, but we have nothing left to buy clothing. The story is a difficult one, and I received telegrams from every branch of the Legion in my riding—and there are 8 of them. I am sure every branch in Canada must have sent telegrams to the minister asking him to help them get this allowance.

Why did not the minister entertain the question, or take another look at it? Was it a question as to whether the government could afford to spend $3 million? Well, the answer is this: Can we afford democracy? In many instances these men, while they did not give their lives, most certainly were willing to do so if need be. Yet, at their request, apparently we are not willing to give them a decent living.

I do not want to go into the gruesome details about suicide, and the like, which have been mentioned. But that is some indication of the need. The question could be asked: What can we give? There, again, they were willing to give their lives. What prayers did the people of this country offer when the Germans were standing at the gates of Paris? The people were ready to give practically anything so long as the boys would stand there and either hold the line or push the enemy back. Those men were not found wanting; but apparently now we, as a parliament, are found wanting. Perhaps I should not say "parliament"; I should say the government. I know parliament would endorse this plea if hon. members were given the privilege to vote upon it.

In connection with the problem one must keep in mind that there are several different types of veterans, each of which must be dealt with on his own merits. I should like to read to the committee two brief articles appearing in issues of *Corps-Vet*, a magazine published in New Westminster. I suggest these articles will indicate to some degree the nature of the problem in my riding. I know the minister is familiar with some of the facts, but I do not think he knows all of them. There is one of which I would ask him to take particular notice—because we have many grave problems there. The article to which I shall refer first is written by J. H. Thompson, who is secretary-manager of the New Westminster Legion. If I were to give him a title I would call him Mr. Canadian Legion. This article is headed "Jungle Town", and states:

> As we go to press the population of our little known "Jungle Town" thrives with activity—or perhaps I should say, inactivity. The inhabitants are a motley bunch—human flotsam—who at the first hint of winter's snow hit the road for the Pacific coast. Here, along the dikes of the Fraser river, they share their frugal and miserable existence with the old-timers who have been established for many years in the area. They are the personification of the seedy side of our enlightened race.

Some are alcoholics who, in a few short years, become winos and rubby-dubs—the drinkers of extract and shaving lotion. Others are ex-convicts, petty thieves or just plain deadbeats—while a small minority are simply broke with no place to turn for assistance. From November to March they live in near animal fashion in shanties built from tar paper and box wood—many without the luxury of a floor while the river provides their plumbing and fuel supply.

Through necessity they share their worldly wealth—which is food and wine. Forage parties are on the prowl every day—some depend on the more simple and direct method of begging coins from citizens on the street—others line up at the welfare agencies for a small grocery order. If the "loot" for the day is good, some of the groceries are converted to cash for the purchase of wine and extracts and the celebration is on. A few days later they emerge from the shacks weak and exhausted—sick in body and mind—then the cycle starts all over.

You might well ask—"Who are these characters? Where do they come from? Have they always been misfits in our way of life? and What are the authorities doing about it?"

Each and every one has a story to tell—sordid—but human nevertheless. Many came from good homes—others from the tenement and skidrow districts of our Canadian cities. To the vast majority the key that opened this depraved life for them was alcohol—and yet we know that each and every one of these derelicts who allowed alcohol to ruin their lives, did so for a reason. We do know that close to forty per cent of Jungle Towners are veterans. A few years ago the veterans from world war II in this category were exceptional, now they outnumber the old diehards.

This problem is, and will remain, a challenge, not only to the authorities but to the legion. After two world wars we realize only too well how messy wars can get—and it's not all on the battlefield. No two humans will react to warfare in a like manner—some can go through it and become readjusted to normal peacetime living without any trouble—others may take years to become rehabilitated.

I shall not read further, but I believe placing this article on the record has served a useful purpose. Some years ago veterans of world war II were the exception in Jungle Town, whereas today 40 per cent of them are veterans. Certainly they are there in greater numbers than the diehards. This article appeared in the issue of February, 1954. Then I would quote the following article from the issue of June, 1954. It is headed "Too Little", and states:

Charlie had served his country well—perhaps too well—for in so doing the effect of battle fatigue through two major wars had taken its toll . . . Charlie and his wife found they were obliged to exist and raise their young family of four youngsters on the war veterans allowance.

In desperation, like many more in this low income group, they moved their few worldly possessions from the city to a small acreage in the country where land was cheap and taxes low . . . and where a small garden and a few chickens can do wonders to fill the tummies of four growing youngsters. With the small nest egg he had somehow managed to set aside, a small two room shack was laboriously erected. Charlie was no carpenter and his health was rapidly becoming a problem. However, necessity won out and at last they had a roof over their heads.

From this humble beginning they planned and tried to save every odd penny to enlarge their home—sleeping six in a small bedroom left much to be desired. Finally by scrounging and more sacrifice the long planned-for addition was started and the frame work erected and then fate once again stepped into the picture.

I should add that this man was one of the war veterans who would be entitled to an increase in the war veterans allowance. He went on to try to complete the building of this shack, but failed. He could not do it himself. It was a case of the Legion stepping in to help. The article goes on to say:

As we go to press the job of rebuilding their home is completed but for many months—perhaps years—our service bureau will be giving this family a friendly and helping hand . . .Charlie has finally answered the last roll call and passed on to a more pleasant and peaceful life.

This man tried to help himself. He is the fellow we should be interested in, and we should be interested in him right in this parliament; to assist him in every way, shape and form to become a citizen who wants to continue to feel that Canada has not let him down.

These men could not come to Ottawa. They sent their emissary, and the emissary has had to go back and say, "The job was not accomplished. It was not completed, so far as war veterans allowances are concerned." That is the part that those veterans are particularly interested in. I would tell this government, which has been so often aptly likened to the ostrich, which has so large a body and has so little sight, that it has denied us the privilege of discussing this vital question until the dying days of this session. We are justified in saying that this question should have been brought to the attention of the house when we asked for it, and it should have been discussed earlier.

So far as the increase itself is concerned, it may be argued from time to time that it is supposed to be equivalent to the old age pension, it is supposed to take its place. I point out to the minister that in Alberta and in British Columbia today the old age pensioner, if he is that destitute, is entitled to $40 plus $15 a month, or $55 a month, which is more than we are giving to our war veterans, the men who helped to defend our country.

In connection with these other items, I heartily endorse the idea that the permissive income should be increased. I do not understand just exactly why there is a ceiling on the permissive income. It may be possible to explain it, and I should like to hear the

[Mr. Hahn.]

explanation. I shall be glad to listen to it. It should be increased from what it is today to $1,200 for a single man and $2,000 for a married man, which is barely sufficient to keep body and soul together when one can receive such a low permissive income.

One other question has been raised, namely, the eligibility of the imperial war veteran who has married a Canadian. I have a case in mind of an imperial war veteran who married a Newfoundland girl quite a number of years ago following the first war. This particular man has lived on and off in Canada and in Newfoundland. He has also been in the United States, but he has not been here for the full 20-year period and therefore he is not eligible, even though his wife is a Canadian by birth. I do not think that that is quite playing the game. The reason for the man to come to Canada originally was that he wanted to be a Canadian. I think the 20-year period is too long. Other instances were pointed out earlier. A widow does not become eligible because her husband may have died before he had put in the 20-year period, and therefore she never becomes eligible even though she may be a Canadian by birth.

In conclusion I should like to summarize my suggestions as follows: First, increase the allowance as requested by the Legion to $60 and $120 respectively, second the permissive ceiling should be increased; third, make the Canadian imperial war veterans of world war I eligible for the burnt-out pension and the allowance before they have resided here 20 years; I would say that possibly 10 years is sufficient; fourth, a permanent committee on veterans affairs should be set up.

I see no reason for not setting up a permanent committee on veterans affairs. I do not believe anyone does. This problem has to do with war veterans allowances. Those are not all the veterans problems we are going to have. There are many committees that we name each year that never meet. If we do not need to meet we will not meet. Certainly we should have a standing committee on veterans affairs.

My fifth suggestion is that this government take notice now of this problem and at the earliest possible date implement the increase in the allowances along the lines of the war veterans request. My final suggestion is that in future the committee be not hamstrung in its terms of reference because if it is set up for the purpose of discussing veterans affairs or any other affairs, let it discuss all of them.

**Mr. Enfield:** I do not want to let this opportunity pass, even at the risk of prolonging the debate a little, without paying tribute to those who were responsible and still are responsible for the administration of the Veterans Land Act. I had the pleasure of sitting on the veterans committee. It was my first committee, and I must say that I found it a most valuable experience. I think members of that committee were unanimous in their endorsation of the brief we had presented to us by the director of the Veterans Land Act, Brigadier Rutherford.

I would like to spend a few moments discussing that briefly. I am particularly interested in this because in my riding I have some 1,124 different small holders units constructed under this act, and it is a very vital part of York-Scarborough. There must have been some moments of anxiety when the Veterans Land Act was first introduced. It was said primarily to be a scheme to settle the veterans on the land, I think probably with tongue in cheek. Everyone knew that it also was a housing program, particularly in the metropolitan areas. In some cases, and perhaps in most, that is what it has really developed into. Of course problems arise in that connection when you get away from the original principle of an act. However, the act has been a tremendous success. We know that as of December 31, 1953 some 63,000 veterans were settled on holdings, either as full-time farmers or on small holdings in Canada.

The soundness of the scheme depended on two things. First, you had to have a well drawn and executed act, well administered, and, as I said, we have had unanimous endorsation in that regard. On the other hand, the other factor has been the veteran himself. In this regard we have found our veterans to be most industrious, most capable and most ingenious in utilizing the benefits given to them under this act. They literally carved themselves a home out of the wilderness in some cases. As I say, under the benefits of this act the veterans have really come through in a grand way, and I am happy to see that we are extending the benefits of the act. I hope we shall see many more veterans take advantage of the extended provision that we are providing under the new amended bill.

The figures in connection with the settlements under the act do make wonderful reading. We find that of the 63,000 who were settled under the act, only 114 have been put off owing to non-compliance with their original contract. Of 26,500 small holders, as of April 30, 1954, only 44 of them were in any

way in arrears on their payments. I really do admire the veterans for the way they have carried out their part of the agreement. Only 44 out of 26,000, that is fewer than 2 per thousand, had in any way fallen into arrears in regard to the small holdings and payments on their mortgages.

As I say, in my riding I have 1,124 of these; in Willowdale, about 433, in Agincourt and Scarborough, about 372; and in Highland Creek 319. I have been out to these holdings several times, particularly in the Homeland subdivision in Scarborough, and hon. members would be very proud of the way these veterans have kept and developed their homes. They are men who work during the day. In some cases they have 2 acres, and in many cases one-half an acre; in any event, a large area of land. They have planted grass seed; they have developed gardens and they have really turned those areas into beauty spots. They deserve a great deal of credit. This is reflected in the increased value of the land. When the land was purchased the original cost was about $300 million. That was the estimated cost of the actual land when it was first purchased all across Canada, but the present estimate of the appraisers in the department is something more than $500 million. This, of course, is due to improvements made by the veterans and the natural increase in the value of land around metropolitan areas.

This brings up the problem that one finds in metropolitan areas. When you have land appreciating in value the interest and taxes on that land, or the municipal assessment increases, and in some cases the veterans have found it, I would not say hard but they have complained about the increase in municipal taxes on large holdings such as they have. However, I was pleased to note that during the last session the Ontario legislature amended the Ontario municipal act wherein it was provided that any municipality may pass a bylaw giving special consideration to veterans settled on these subdivisions in regard to municipal assessments and taxes. In that connection the townships of Scarborough and North York and in fact most other municipalities in metropolitan Toronto have taken action and the veterans find themselves assessed on something that is more like a rural assessment basis than the usual metropolitan rates, so that the problem has been partially overcome.

But the veterans, I understand, have been very fortunate in most cases around Toronto because the land values have increased so markedly that it has been possible for veterans to sell their complete holding and obtain enough money to help them out of their total indebtedness under the act. He can sell part of the holding if he does not require it, and that has been done. As a matter of fact, if this is done before the ten years expires under his contract the veteran finds in many cases that he gets such a good price for the land that he can cheerfully forgo the $1,400 additional grant to which he is entitled if he carries out the contract in full.

However, the surprising thing is that even under such circumstances, when the land is so valuable, the veteran has not been subdividing the land. That has been my experience. They are accustomed to living in these spacious and beautiful surroundings on which they have worked so hard, and it would be difficult, although the value of the land has skyrocketed, for them to give up this land even though by the sale of it they would be in an extremely good financial position. I think that shows a very good attitude on the part of the veterans.

As we all know, part II of the act now allows veterans to obtain assistance in building their own homes with a 10 per cent down payment either in cash or kind and the maximum amount of the loan under the Central Mortgage and Housing Corporation is $8,000. I believe we will find a great many veterans taking advantage of this section of the act. There are many veterans who find themselves saddled with an expensive home and they will be able to sell that home and build their own home under part II of the act as long as it is approved by Central Mortgage and Housing Corporation. They can take the equity out of the home they sell and put their own, shall we say, sweat, into building a home of their own and save $2,000, perhaps more, and so put themselves on a sound financial basis. I know that many veterans in Toronto have been looking forward to a scheme such as this. The important part of this scheme is the supervision and assistance they will receive in acting as their own contractors. This has proved very successful under the act so far. We have about 6,000 homes in Canada built entirely by veterans acting as their own contractors, and about 1,700 to 2,000 are under way at the present time.

I think we can depend on the veterans to make the new part II of the act work just as well as they made the old provision work under the old act, and I look forward to very many years of pleasant association with veterans in my own riding under this scheme. I want to pay tribute to Mr. Rutherford and his office staff for the manner in which they have carried out the provisions of the act. They have helped in no small measure to make it work successfully and I know they will carry on doing so.

**Mr. Harkness:** Mr. Chairman, the veterans affairs committee at this session did, I think we will all agree, a very good job on the bills which were submitted to it. I am not going to take up the time of the committee to go into what was done in regard to these bills, including the Veterans Land Act, except to say that we received an extremely good briefing in regard to the matter and an extremely good picture of what was done under the Veterans Land Act and what the officials hoped will be done in future.

As a result of the evidence made available to us by the various veterans organizations and by way of consultation with the members, I think we succeeded in dealing with the bills effectively. Amendments were made, I think, to all the bills which were presented to us and in fact there were quite a number of amendments to some of them. I think as a result of these amendments the legislation was considerably improved.

There were, however, a few deficiencies in the amendments to the Veterans Land Act which I am sorry to see the government did not correct. I agree with other hon. members who have already pointed out that the rate of interest should have been lowered and could have been made the same as on the small holdings and farms secured under the Veterans Land Act. I think the down payment for houses should be considerably lower in some cases. Under the present provision there is an inflexible down payment provision. I do not see any reason whatever to insist on that provision. The thing could have been made flexible to enable those veterans who wanted to build a home under the act to do so. If there had been a flexible down payment many more could have taken advantage of the act.

Now, the outstanding thing as far as veterans affairs are concerned this year, and the one thing above all others of interest to veterans, and on which they want something done, is a matter which we were not allowed to discuss and on which we were not allowed to make recommendations in committee. That is the matter of war veterans allowances. I think there is no question about the fact that the rate of the war veterans allowance should be increased and the amount of allowable income should be increased. That has been dealt with by a number of people and I am not going to go into the various reasons which could be advanced as to why this improvement is imperative. I would say that a large number of veterans receiving the war veterans allowance are not receiving enough to support themselves and they are having an extraordinarily difficult time. In many cases they are unable to get enough to eat after they have paid their rent and so forth. This is undoubtedly a situation which should not have been allowed to continue, though it appears the government is quite prepared to allow it to continue beyond this session.

The position in Alberta and British Columbia has already been mentioned. The amount of war veterans allowance vis-à-vis the old age pension is such that you have a situation, I am told, where a German soldier who fought against our troops in the first war is receiving more money under old age pension than the Canadian soldier who fought against him. I am told that in one case that situation actually exists, and it is a situation which can exist so far as quite a considerable number of people are concerned. Despite that the government has taken no action to correct the situation. Anyone who comes to this country and lives here for 20 years and reaches the age of 70, no matter from where he comes, qualifies as a citizen, and such a man is now in a better position in Alberta and British Columbia than is the veteran of the first war who, as I say, may have fought against those people in that war. This is a situation which naturally causes bitterness. How can you expect the people who fought for this country in the first war, when they hear of a situation such as this, to be anything but bitter about it, particularly when they themselves are, as I say, in some cases not receiving enough income to be able to get enough to eat, really.

During this debate the members of this party have been accused of playing politics in the matter of the war veterans allowance. I take grave exception to that accusation, whether it has been made directly, as I think it was in one case, or whether it has been put out by inference. The people who are playing politics in this matter are the people on the government side of the house. They are the people who are trying to play politics with regard to the matter. As a matter of fact, these members are saying that this thing must be corrected, that they would like to see the war veterans allowance increased and that they would like to see the allowable earnings increased and so forth but that there is nothing they can do about it as the government says "No."

As a matter of fact, Mr. Chairman, some of the speeches I have heard in connection with this matter here in this chamber and in the committee appeared to me to be nothing else but sickening hypocrisy. I feel strongly on this matter. When people come out and say: Oh, yes; I am entirely in

favour of increasing the war veterans allowance; I am entirely in favour of the Legion brief and so forth, and then demonstrate that belief by voting against every possible motion which would cause it to be implemented, then, as I say, it just does not add up.

The hon. member for Vancouver South, in speaking this afternoon, said he was delighted that the first speech he made in the house was in favour of the war veterans allowance and that this, which would be his last speech, was on the same subject, and that he gave his unqualified support to the Legion brief with regard to an increase in the war veterans allowance. He demonstrated his unqualified support of the Legion brief by voting against every motion in the House of Commons and every motion in the committee which could have implemented that Legion brief. That was how he demonstrated his unqualified support for this increase.

**Mr. Philpott:** Mr. Chairman, I rise on a question of privilege. I strongly supported every practical motion in the House of Commons and I shall continue to demonstrate, as I have during long years past, my support of the cause to which my hon. friend has been so recently converted.

**Some hon. Members:** Oh, oh.

**Mr. Rowe:** He was here long before you were.

**Mr. Harkness:** Mr. Chairman, this is not a question of privilege; this is a speech.

**Some hon. Members:** Oh, oh.

**Mr. Harkness:** Mr. Chairman, I demand that the hon. member state his question of privilege or sit down.

**Mr. Rowe:** The hon. member for Vancouver South was not even here.

**Mr. Harkness:** Mr. Chairman, I am asking for a ruling. The hon. member is making a speech.

**The Chairman:** Order. Will the hon. member kindly allow the hon. member for Vancouver South to state his question of privilege?

**Mr. Philpott:** And in the veterans affairs committee on the day before I also upheld—

**Mr. Rowe:** What is the question of privilege?

**Mr. Harkness:** Yes, what is the privilege?

**Mr. Philpott:** I strongly supported the motion of the hon. member for Vancouver-Burrard and the hon. member for Burnaby-Richmond in favour of raising the war veterans allowance.

[Mr. Harkness.]

**Mr. Harkness:** Mr. Chairman, this is no question of privilege; it is a speech. I object very strongly.

**The Chairman:** Order. The hon. member for Calgary North made the assertion that the hon. member for Vancouver South had voted in certain ways, as I heard the expression of the hon. member for Calgary North. The hon. member for Vancouver South quite properly rose and indicated how he voted.

**Mr. Rowe:** Mr. Chairman, on a point of order, may I say that that is no question of privilege.

**Mr. Harkness:** Mr. Chairman, this is a matter of fact. This is not any question of privilege or anything else. It is a question of fact. In the House of Commons we had a motion that the veterans affairs committee have its powers increased in order that it could deal with the war veterans allowance and the hon. member voted against that motion. In the committee we had a motion to the same effect and the hon. member voted against it. I do not care what excuses he gives and so on. Those are the facts.

**Mr. Philpott:** Mr. Chairman, on a question of privilege may I say that I did not vote against it.

**Mr. Harkness:** Mr. Chairman, if the hon. member later wants to try to refute what I am saying, he can make a speech. He is at liberty to do that. In the meantime, I do not think he should be rising on these false questions of privilege.

**Mr. Philpott:** Mr. Chairman, on a question of privilege may I say that at no time did I vote against the widening of the terms of reference.

**Mr. Harkness:** The hon. member may quibble as much as he likes. The record is there. The record of the House of Commons is there.

**An hon. Member:** Read it.

**The Chairman:** Order.

**Mr. Harkness:** The record of the committee is there. I will leave the matter to the judgment of the veterans of this country. In his speech this afternoon the hon. member said the government was not able to increase the war veterans allowance this year. He says they are not able to do it. My goodness, Mr. Chairman, what does he mean by saying that they are not able to do it? There is no question at all of ability to do it. It is a matter of refusal to do it. Any statement along that line indicates, as a matter of fact, the true interest of the hon. member in the

welfare of the veterans allowance recipients and the desire which the hon. member has to have this allowance increased. He says the government was not able to do it. As was pointed out previously, it would mean a mere matter of a few million dollars. Yet he says the government is not able to do it! The government refuses to do it; the government will not do it, and that is the only reason it is not done. No question whatever of ability to do it is involved in the matter.

I must say that I was also disappointed in the hon. member for Cape Breton South this afternoon.

**An hon. Member:** That is going to hurt his feelings.

**Mr. Harkness:** The hon. member for Cape Breton South said he had voted against this motion made in the committee by the hon. member for Royal because of a former vote in the house and because the Prime Minister said that nothing would be done this year about the war veterans allowance. He said that in the committee and he said it again today. For a man who used to be such a bonny fighter as was the hon. member for Cape Breton South to say that he could not support this motion—which really meant an increase in the war veterans allowance—because the Prime Minister, forsooth, had said he did not want it this session, is difficult for me to understand.

**Mr. Gillis:** Mr. Chairman—

**Mr. Harkness:** The hon. member for Cape Breton South has certainly changed.

**An hon. Member:** Wrong again!

**Mr. Harkness:** On what sort of question is the hon. member up on his feet? Is this a point of order, a question of privilege or just a speech?

**Mr. Gillis:** I am just going to ask the hon. member a question.

**Mr. Harkness:** That is fine.

**Mr. Gillis:** This is one hon. member who I think is inclined to be fair. I should like to ask him if he has read the record. If he has read the record he will know that the motion was on a ruling of the chairman and that it had nothing at all to do with the subject he is talking about.

**Mr. Harkness:** The hon. member knows that there is no use asking me if I read the record. He knows that I was there every minute during which this discussion went on. I know the whole discussion. I heard the whole thing and so on. What the hon. member is doing is quibbling over a technicality. That is what he is doing. He knows as well as does every other member of that committee that the vote essentially was an effort—the last one we could make—to try to get the war veterans allowance increased at this session. As a matter of fact, because the Prime Minister said there would be no action on it this year, the member said: "Oh well, I will vote against it". This is not typical of the hon. member as I have known him in the nine years that I have been a member of the house.

**Mr. Rowe:** What reason would there be for that?

**Mr. Harkness:** I am not imputing any reasons or motives at all. I merely say that I am disappointed. I was disappointed that the hon. member should express the views he did in that regard and then turn around this afternoon and accuse the hon. member for Royal of playing politics with this matter.

**An hon. Member:** That is right.

**Some hon. Members:** Hear, hear.

**Mr. Harkness:** The thing is completely ridiculous.

**Mr. Pouliot:** Royal always does play politics.

**Mr. Harkness:** I am glad to say that the hon. member for Cape Breton South did not take this defeatist attitude in 1948. As a matter of fact, the prime minister of that time, Mr. Mackenzie King, announced in the house in 1947, to begin with, after a great deal of pressure had been put upon him to take action, that pensions would be increased 10 per cent and that was all. Then we went home for Christmas. There was a great deal of agitation and many representations made, and when we came back after Christmas the prime minister had weakened and he got up and said that he had reconsidered the matter and that the pensions would be increased 15 per cent but that that was the absolute limit. Standing right there he said that under no circumstances would they be increased more than 15 per cent. Did the hon. member for Cape Breton South take a defeatist attitude? Did the rest of us take that attitude? No, Mr. Chairman. When the committee met we went to work on this thing and insisted—

**Mr. Gillis:** Mr. Chairman—

**Some hon. Members:** Order.

**Mr. Gillis:** The hon. member asked me a question.

**Mr. Harkness:** No, I did not ask him a question. If the hon. member wants to ask a question he can do so in a minute. I want to finish what I am saying.

**Some hon. Members:** Sit down.

**The Chairman:** Order.

**Mr. Harkness:** I want to finish what I am saying.

**The Chairman:** Order. Will the hon. member for Calgary North also take his seat. May I remind hon. members that the hon. member who has the floor cannot be interrupted without his consent.

**Some hon. Members:** Hear, hear.

**Mr. Rowe:** That is a better ruling.

**Mr. Harkness:** As I was saying, the prime minister said that 15 per cent was the absolute maximum. The members of the veterans affairs committee did not accept that as final. They did not say: Well, the prime minister said that is final and we cannot go any further. We pounded and pounded away at the matter.

**Mr. Gillis:** You did not force any votes in the house on it.

**Mr. Harkness:** As a matter of fact we moved motions in the committee. The hon. member for Royal moved that the pension should be increased by 33⅓ per cent, and that is what the veterans are receiving now. At that time that motion was defeated but a motion that they should be increased by 25 per cent was passed unanimously by the committee. The matter came back to the house and that recommendation was adopted. Instead of what the prime minister had said the pension was increased by 25 per cent. If we had had the defeatist attitude at that time that the hon. member for Cape Breton South has shown on this occasion the veterans would have had an increase of 15 per cent in their pensions instead of the 25 per cent which they got and the 33⅓ per cent which they have at the present time. The only way you can get things is to fight for them. As far as I am concerned I am going to continue to fight for an increase in the war veterans allowance and in the ceilings and I am not going to be deterred by what the Prime Minister or anybody else says.

**An hon. Member:** Have your own way.

**Mr. Harkness:** As a matter of fact, unless the government comes around to making this change in the fairly near future they are going to have a much greater storm on their heads from the veterans of this country than already exists.

**Mr. Jones:** Mr. Chairman, I will not take very long. I do not think I can clear up the misconception that seems to be abroad about the particular vote that was taken in the committee, but I should like to express my point of view. To me it was not a vote on the merits or demerits of the veterans allowance act at all. If it had been I believe that every member of that committee would have been in favour of taking some action about the war veterans allowance. It was a vote to sustain the chairman's ruling, the chairman having ruled that we did not have the power to deal with a subject that was beyond our terms of reference. I listened very carefully. I think the chairman took about an hour and a half to quote citations and to explain similar situations that had happened in the past. I also listened to the hon. member for Vancouver-Quadra and others who expressed different views. After listening carefully I came to my own personal conclusion that the chairman was correct, and for that reason I supported him. But I supported him on that point only. If the War Veterans Allowance Act had been at stake I would not have supported him. I supported him because I considered, excellent chairman that he was, that he had given a true and faithful interpretation of all the authorities he quoted.

But I felt then and still do that the minister and the government were remiss in their duty in not referring the War Veterans Allowance Act for the consideration of the committee. On behalf of the veterans of my constituency I must register a protest and express their great disappointment that this subject was excluded from the consideration of the committee. The plight of veterans widows should also have been referred to the committee for attention. I fail to understand why the minister did not include these matters in the terms of reference. The minister has been questioned about these matters but so far he has refused to commit himself one way or the other. Before the session is over I think he should definitely say what he intends to do for the war veterans of Canada so that the Legion and others who are anxious to have something tangible done soon will know where they stand.

I am sure that the minister must be aware of the distress and dissatisfaction of the veterans and their widows. The average member of the house receives many letters and telegrams on the subject. Therefore it is quite safe to assume that the minister would receive a great deal more and should be thoroughly conversant with the difficulties faced by the war veterans and widows who are forced to live on a substandard diet in a country as rich and prosperous as we claim ours is. It puzzles me why the minister, being aware of their plight, ignored the whole problem when setting up the terms of reference of the committee.

It cannot be said that we cannot afford the cost. Another member referred to that. It cannot be said that the burden is already too great because I would point out that the total cost of administering the veterans affairs department, providing for all pensions, disability pensions, widows pensions, war veterans allowances, providing for the upkeep and administration of the various hospitals and other buildings, the administration of the pension commission, welfare services, soldier settlement services, the Veterans Land Act, rehabilitation benefits, re-establishment credits and numerous other items, including the minister's own salary, only amounts to a slight fraction over 5 per cent of the federal budget this year.

To my mind that is a very small price to pay to look after Canadian veterans of three wars whose sacrifices have made it possible for us to enjoy our lives and possessions in peace. In spite of the increased cost of living and the greater need of these veterans, particularly the burnt-out pensioners about whom we have been talking, the department has actually reduced its estimated requirements for the current year. I cannot understand that. The government is in the happy position, with an expanding economy and surpluses, of being able to share our wealth with other less fortunate nations, some of whom were our enemies not long ago. I do not criticize them for that. I think we are doing a kindly act, but surely if we can do that Canada's defenders deserve more than a brush-off when they ask to have their problems reviewed by the special committee on veterans affairs.

The previous committee was unanimous in recommending that something should be done for veterans allowance recipients. The members of this committee, too, I believe were unanimous in their sympathy for the recipients of war veterans allowances, but their hands were tied by the government. I am not blaming the chairman of the committee. I believe if he had had it in his power he would have extended the powers of the committee. I submit that the minister and the government deliberately tied the hands of the committee so that they could not deal with this subject.

The chairman of the committee did include in the report a request for sympathetic consideration of war veterans and the merchant marine. Possibly he was exceeding the terms of reference by going even that far, I cannot say. But I sincerely hope that the minister will pay attention to that recommendation, as well as to the numerous briefs presented to the committee on the subject by the various organizations.

In my opinion the work done by the committee was excellent as far as it went. Several desirable changes were made in the bills before us, and accepted by the government. This proved one thing conclusively to me, and that was that the good work done by this committee should be continued by the formation of a standing committee. I am sure the minister would gain valuable assistance in the administration of this department, and definitely the veterans would secure valuable aid in solving their numerous problems. I wholeheartedly support the Canadian Legion brief. These people have done an excellent piece of work in presenting it, and trying to solve the problems in the way they have recommended.

I should like also to draw one other thing to the minister's attention. This matter cannot wait for attention by the standing committee, but is urgent and touches on the plight of the widows of veterans who die while in receipt of a pension for less than a 50 per cent disability. I have a letter here from the British Columbia branch of the Canadian Legion drawing attention to the widows' position. I should like to quote it.

> We would point out that, as the whole intent of the Pension Act is to provide benefits strictly in accord with the degree of war disability, it would seem quite evident that at present most of the trouble as far as the widow is concerned, lies in the fact that there is too great a difference between the benefits provided for a 50 per cent and a 45 per cent disability.

A person with a 50 per cent disability gets a 30 per cent increase between the ages of 55 and 59 years; but a 45 per cent pension gets no increase. This ultimately hurts the widow when, on the death of the veteran, the pension is under 50 per cent. It is extremely hard to believe that if a 50 per cent disability can prove so burdensome with advancing years as to warrant three successive 10 per cent increases, a 45 per cent fixed assessment is entirely unaffected by age and so warrants no increase.

It should be pointed out that where a widow is left when the pension is at 50 per cent, she receives $100 per month; but the widow of a pensioner who dies with less than a 50 per cent disability pension, say 48 per cent or 49 per cent, gets nothing at all. Where children are left under similar circumstances, the children of the veteran on a 50 per cent disability pension get pensions at the orphan rate, which is double the 100 per cent rate, but the children of a veteran on a 45 per cent disability pension receive nothing.

With all due respect to the minister, I believe he should pay urgent and special attention to these widows, who are numerous. I am sorry they are numerous. They are

numerous because of the hard classification that the pensioner has to undergo to get a pension at all. Possibly there are far too many veterans who get less than 50 per cent, and so far as the widows are concerned more generous treatment should be accorded to them. I hope that the minister will take that under advisement.

**Mr. Pearkes:** In listening to the discussion of this item today and the debates that have taken place earlier in this session on the question of veterans, I believe two points stand out and should be emphasized. The first of these is the success that has been achieved by the special committee on veterans affairs, not only this year but in previous years. The success has been achieved in spite of a certain amount of internal wrangling in which there has been a difference of opinion as to the best approach to achieve the one aim of every member of that committee, namely, the improvement of the position of the veterans. I honestly believe that considerable progress has been made by these veterans affairs committees over the period of many years. I sincerely hope that they will continue, and if there is a certain amount of internecine strife it is only because various members of that committee are so anxious to achieve something for the veterans that they believe the means they are advocating are the best way in which to achieve those ends. When you get people really worked up in their effort to try to do something for the cause, it is inevitable that there is a certain amount of heat engendered, but that is very largely on the surface. There is a genuine effort by all members of the committee to achieve a great end.

The second point that I think should be underlined is the fact that the committee this year was rather restricted in its terms of reference and therefore was not able to examine as many of the problems facing the veterans as most members of the committee would have liked to have the privilege of doing. Of course chief of all those problems that had to be omitted from the discussion was this question of the further assistance that was necessary for the recipients of war veterans allowances. I am not going into the details of that allowance or of the requisites which are necessary in order to really place these old sailors, soldiers and airmen in a position in which they can live with dignity during their remaining years.

Some reference has been made to the change in the casual earnings earlier in this session. I know the minister will recall that I raised the question with him before Christmas, as to the exact meaning of the definition of casual earnings as given in the directive which was then in existence. I expressed my appreciation to the minister for having looked into that question, and having produced the new directive to which the hon. member for Cape Breton South referred earlier. The casual earnings, and the expansion of the definition of casual earnings are only half the battle because the majority of the recipients of war veterans allowances are not in a position to go out and augment their allowances by undertaking work even of a casual nature. Many of those who are partially crippled, and are in receipt of a pension, of course are not in a position to augment their allowance in the least.

I merely mention that as being one of the items of unfinished business which remain today, so far as veterans affairs are concerned. And I want to offer to the minister this evening what appears to me to be a practical and timely suggestion as to the way in which these two items to which I have referred—the success of the committee and the amount of the unfinished business—can be harmonized in the future.

I would call attention to the fact that the veterans charter was drawn up and published nine years ago; it will be ten years when the next session of parliament will be called. And I would call attention to the final paragraph of the foreword written for the veterans charter by the then minister of veterans affairs, the late Hon. Ian Mackenzie, than whom no one worked harder for the veterans. This is what he wrote:

> Not for ten, perhaps twenty, years will it be known how much ex-service men and women have been able to contribute to a Canada at peace as a result of these re-establishment measures. When that accounting is made, I know the program laid down in the veterans charter will appear in true perspective as a social investment of unmatched success.

And then, in the closing chapter he had these words:

> The veterans charter is, therefore, not only an expression of the gratitude and generous thought of their compatriots but it is a long range plan to utilize the best minds and talents of a generation in such a way as to make an ever growing contribution to the Dominion of Canada. A contribution that in its fulfilment would enhance the social, economic and cultural advance of a nation which twice in its short history had thrust upon it a battle for survival, and under the threat of conquest had still the moral courage to plan for a nobler fulfilment of its destiny.

Those words were written ten years ago. Since the veterans charter was introduced there have been many amendments to some of the bills embraced within it. There are actually 19 different acts in the charter affecting the welfare of the veterans, and in addition there are a number of regulations.

But, as I say, this was drawn up 10 years ago; and if we allow our minds to turn

back over those ten years we will see that we have a very different world today from the atmosphere in which the charter was prepared. Ten years ago we were basking in the sunshine of the San Francisco agreement in which there were to be united nations, where five great powers were going to see that there would be no more war. That was the atmosphere in which the charter was drawn up.

We have passed from the high explosives age to the atomic age of today. But we have also made progress in many other lines. I would call attention of hon. members to the progress which has been made throughout Canada in many lines of social security, and the assistance given to those who are less fortunate than the majority. I would call attention to the assistance given under the various schemes for national health, given not only by the federal government but by many of the provinces. In those days there were no provincial health insurance plans.

Therefore I am going to suggest that next year, when parliament assembles for its next session, there should be a complete review of the veterans charter in order to bring it up to date, in order to consolidate the different acts, and in order to bring in all the different amendments so that they may be embodied in the acts. Let us see that those 19 acts are related one to the other, and also related to conditions as they exist in Canada today.

Now that the first ten years have passed we have reached the time for the first accounting, to which the late Ian Mackenzie referred. I believe we shall find that in very large measure the charter will appear in true perspective and that it will be considered an unmatched success. But we are not going to stand still. Conditions have changed in the last ten years. Now is the time for us to have that review so as to bringing the veterans charter up to date, so that it can be related to conditions as they are in Canada today, and so that a committee, set up early in the session, would have the opportunity of reviewing all those acts of parliament which have reference to the veterans of this country.

**Mr. Patterson:** Mr. Chairman, I feel it is always wise for one to give expression to any words of commendation he may feel before proceeding to words of censure or criticism. Therefore this evening, rising to take part in this debate, I should like first of all to let the Minister of Veterans Affairs know that we appreciate deeply the readiness with which he and his department deal with all veterans problems we bring to their attention from time to time. Personally, I have always found them to be more than ready and willing to investigate any particular case, to report upon it and to let us know the situation as it really exists.

We are also very happy in respect of those measures passed at this session of parliament. I may say that already some of the veterans in my own riding are receiving benefits from some of those measures, or they will be in the near future. Therefore first of all I commend the minister and his department.

Having done that I feel I am now free to go ahead and voice any criticisms I have with just as great emphasis as I have used in my commendation. It is not my purpose tonight to deal at length with veterans legislation in general. The hon. member for Acadia and the hon. member for New Westminster have set forth clearly our attitude with respect to veterans legislation in general. However I do feel that up to the present time the government has failed to deal with those problems that are of special concern to veterans organizations across Canada.

Speaking in the house some time ago I gave expression to that conviction, and since that time the conviction has been strengthened further by a considerable number of communications I have received from individual veterans and from branches of the Legion in various sections. I hope the saying is still true that the constant dropping of water wears away the rock—and, applying it in this instance, that the constant emphasis and re-emphasis of these particular issues will soften the heart of the government. I do not say the heart of the minister because I believe that he personally would be most happy if he could do something further for the war veterans who are not on the allowance at the present time. But I do trust that the continued re-emphasis of these particular matters will somehow encourage the government to take time off to reconsider them and give further attention to the plight of the war veterans.

The first one of course, as I have already said, is the war veterans allowance, which is recommendation No. 1 in the brief presented to the Prime Minister of Canada and the cabinet by the Canadian Legion of the British Empire Service League on November 10, 1953, which states:

> That the basic rate of war veterans allowance be increased to $60 per month for a single veteran, and $120 per month for those who are married.

The government has already given us to understand in no uncertain terms that they are not going to consider the raising of the war veterans allowance at this session. Some time ago this matter was brought to the

attention of the government and it was sidetracked on several occasions. Just recently I received telegrams from various Legion branches in my own particular riding. I should like to refer to a telegram that I received from W. Cross, zone commander, New Westminster and district zones of the Canadian Legion. It is dated May 21 and reads as follows:

> Canadian Legion delegates from South Burnaby, New Westminster, Mission, Haney, Port Coquitlam and Port Moody branches representing 4,200 members met last night in South Burnaby branch 83 and passed unanimous motion deeply deploring Prime Minister's callousness over plight of thousands of veterans. Have wired Prime Minister. We in your constituency demand your support of Canadian Legion brief and urge you do your utmost to have War Veterans Allowance Act given full consideration this session.

I would have been as happy to see the word "request" used in the telegram instead of "demand", but the word "demand" was used. Perhaps some hon. members will recall that I brought this to the attention of the house just before the orders of the day on May 21, and asked whether the Prime Minister had received a telegram in this connection and whether he was prepared to make any statement in regard to its contents. Mr. Speaker gave me to understand that that was not the proper time to bring a question of that kind to the attention of the house, and suggested that it would be more appropriate to ask it in the veterans affairs committee or when the estimates of the Minister of Veterans Affairs were before the house. I understand that this is the proper time to refer to it. However there was no opportunity for a statement to be made at that time. I want to bring to the attention of the committee, of the minister and of the department the fact that we are still definitely interested in and concerned about this particular matter, and request that it be given full consideration, and that something further be done for those who are recipients of the war veterans allowance.

I will not refer to the veterans affairs committee. I was not a member of it, but I read some interesting things that came out of it. I was surprised at the attitude of some of the members of that committee, but I do not want to be ruled out of order at this time. Therefore I shall not make any further comments in that regard.

The second recommendation in the Canadian Legion brief to which I have referred reads:

> That the ceilings on total permissible income under War Veterans Allowance Act be increased to $1,200 per year in the case of a single recipient and $2,000 per year in the case of those married.

[Mr. Patterson.]

I want to lend my support to that recommendation as well and to ask the government whether they will not just bend a little. I do not think it is asking very much, but I would request the government to bend a little and yield to the requests of the Legion in this particular respect.

I stated some time ago that I could not understand why the government refuses to raise the ceiling on permissive income. We all recognize that as it stands now it is entirely inadequate to permit of a decent standard of living. In a letter which is quoted in the October issue of the *Legionary*, and which was sent to the Prime Minister by C. B. Lumsden, dominion president of the Canadian Legion, we find the following in the first part of it:

> For some years we have been asking for a revision of the War Veterans Allowance Act which would raise the ceiling on permissible income and permit an increase in the basic allowance for those with no other means of support. To us the moral and sociological reasons in favour of these changes seem overwhelming and our members find it difficult to understand why our representations have not been accepted.
>
> There is little that we can add to the briefs previously presented. We would merely like to reiterate that as the act stands at present it tends to defeat its own objectives. If the allowance is intended to assist the aged and needy veteran, the low permissive ceiling prevents him from supplementing this allowance sufficiently to enjoy a reasonable standard of living. If it is intended as a subsistence allowance, it is far too small.
>
> The taxation laws of Canada consider that an income of less than $2,000 is too low for a married man to pay income tax. Yet war veterans allowance expects a married couple to live on $1,200 a year.

There is more to the letter but I will not take the time of the committee to read it. I should like to suggest once again that the government give consideration and take action as soon as possible to accede to the request of the Legion. These are the two matters to which I should like to refer. I know other speakers have already emphasized them, but I want to give them my support at this time. I urge the government to yield on these two important and very necessary requests.

**Mr. Knowles:** Mr. Chairman, I believe that there are 243 members of this house who not only would offer no objection but who would welcome it wholeheartedly if tomorrow morning at eleven o'clock the Prime Minister were to announce on behalf of the government its desire to bring in an amendment to the War Veterans Allowance Act, and were to ask the house for unanimous consent to put it through all stages at one sitting. The legislation would be passed before one o'clock tomorrow.

I use the figure of 243 members advisedly. There are 265 seats in this house. We are missing two whom we lost a short while ago. There are 20 members of this house who are in the cabinet. That leaves 243 of us who are private members. I suggest that all 243 of us would readily agree to such a request if the government were to make it tomorrow morning. I urge that consideration be given to that proposition.

It has been suggested by a good many members during the course of the debate today that something must be done about this matter as soon as possible, and certainly at the next session of parliament. I see no reason why it should not be done at this session even yet, certainly before we reach prorogation.

As a matter of fact, Mr. Chairman, this debate is a demonstration of the way in which parliament sometimes works. As I have already said, we are 265 members when we are all here, but for those of us outside of the cabinet all we can do is make speeches, move amendments, ask questions, and do all the other things we can to try to persuade the government to bring in legislation of this kind.

When it comes to legislation of almost any kind, and particularly when it comes to legislation involving the expenditure of money, that must be brought in by the government. Those 20 men in the cabinet—and I am referring to the 20 who are members of this house because although there are 21 members in the cabinet one of them is over in the other place—occupy a key position. What it boils down to is this, that 11 of those 20 occupy the key position. Eleven out of those 20 would constitute a majority. What the other 243 members of this house are doing is making appeals of this kind in the hope that we can yet persuade 11 out of those 20 to agree that something should be done about this matter at this session of parliament.

Let it not be said that it is too late. As a matter of fact, during this very week a piece of legislation is being put through, notice of which was not given until Monday. I realize that it turns out to be an uncontentious piece of legislation. I refer to the proposal to amend the Judges Act—but not to increase the salaries of judges—and I would point out that notice of that intention was not given until Monday of this week. Unanimous consent has not yet been requested for the purpose of speeding up the progress of that legislation. If it goes through its normal stages at the speed permitted by the rule book it could be through by Friday of this week. In other sessions there have been instances where items of legislation have been brought in near the end of the session and have been put through all their necessary stages. That could certainly be done with this piece of legislation and I urge that even yet consideration be given to it. I do not know of any reason why a cabinet meeting could not be held tonight or tomorrow morning in time for the opening of this house at eleven o'clock. If the cabinet cannot meet before tomorrow morning, we are meeting Saturday and that would be a good way in which to start Saturday sittings in this session, namely, by having amendments brought in to the War Veterans Allowance Act.

Now, Mr. Chairman, reference has been made quite frequently this evening to the report of the veterans affairs committee. I do not think the recommendation to which reference has been made has yet been put on the record in its entirety and I think we should have that part of the report before us in its exact terms. Before reading it I would like to point out that this is from the fifth report of the special committee on veterans affairs which was presented to the house by the chairman of the committee, the hon. member for Rosthern, on Friday, June 11. The part to which reference has been so frequently made reads as follows:

> In tabling herewith a copy of the evidence adduced, your committee desires to draw attention to the fact that the submission by the Canadian Legion, the National Council of Veterans Associations and the Canadian non-pensioned veterans' widows, each contained, in addition to representations in respect of the said bills,—

That refers to the four bills which were before the committee.

> —representations urging changes in the War Veterans Allowance Act to raise the amounts of allowances payable thereunder, and also to raise the level of permissive income.
>
> The Canadian Merchant Navy Veterans Association, in their submission, laid most stress on a wish that those who served during world war II in dangerous waters receive the benefits of the Veterans Land Act.
>
> Your committee recommends that the government give sympathetic consideration to the said submissions.

Now, Mr. Chairman, I must say that I rather share the views of those who have characterized that last sentence as something in the nature of a pious hope or a pious prayer, but at least we do know that after all the arguments were over in the committee that report was adopted unanimously.

Now, who made up that committee? It was made up of private members chosen from amongst the 243 to whom I referred a few minutes ago, representing all the parties in this house. I submit that the fact that those members representing the various parties in this house agreed unanimously on this report makes it crystal clear that not only those members in the committee but the

entire 243 support that contention that the government should give sympathetic consideration to these submissions. The first of these submissions was that the War Veterans Allowance Act should be amended to raise the amount of the allowance payable thereunder, and also to raise the level of permissive income.

Now, Mr. Chairman, I could but I do not think it is necessary to go into the merits of the case itself. The reason why it is not necessary is because it is so obvious, and because it has been made so many times this afternoon and evening. But I feel I would like to pinpoint the fact that here is an opportunity for the government to recognize the way in which parliament properly works. Here is an opportunity for the government to recognize the wish of the 243 of us who are here, and respond to the unanimous feeling of the private members of this house.

I know there has been no vote in which the 243 members have had a chance to express themselves, but I think I am perfectly justified in contending that the unanimous support of this report by members representing all parties means that the 243 of us would welcome action on this matter at this session, and I hope that even yet, before we reach the day of prorogation, something will be done about this matter.

For my part I support the contention that has been made by the Canadian Legion that the amount of the allowance should be increased to not less than $60 a month single and $120 a month married. I agree too with the contention of the Legion that if it is not possible to remove the means test altogether then at least the level of permissive income should be raised to $1,200 a year single, and $2,000 a year married.

I think particular notice should be taken of the fact that amongst those who appeared before the committee were representatives of the Canadian non-pensioned veterans widows association. As hon. members know there was a time when there was no provision for non-pensioned veterans widows and then the time came along about 1943 when, by an item in the estimates, there was a special allowance for these women. In due course their allowance was made statutory by their being brought under the terms of the War Veterans Allowance Act. Therefore when we are asking for these increases under the War Veterans Allowance Act we are quite properly asking for an increase, not only for the war veterans themselves who are the recipients of those allowances but for the widows who qualify under this same legislation, and I wish to support their other requests as well.

[Mr. Knowles.]

I wish to indicate once again my support of the contention which has been made repeatedly, and made many times today, that something should be done about that cut-off date with respect to the widows of imperial veterans. It seems to me that some change in that provision should be made so that it will not be necessary for the veteran to have lived in Canada the full 20 years in order for his widow to qualify. This provision results in many cases of hardship, which could be avoided by changing that 20 year provision.

I support the contention made earlier today that surely the time has come when the United Kingdom might be recognized as a theatre of war so far as world war I is concerned. This has been a sore point for a long time. The number affected by it is dwindling all the time. It has become more of an issue now that the United Kingdom has been accepted as a theatre of war in world war II. I submit that to make this change would have value not only in terms of the dollars that would be available to many of these veterans or to some of their widows as the result of the change but as a boost in morale to our older veterans generally. I hope that even yet that change might be made.

As I have already indicated, Mr. Chairman, the case for amending the War Veterans Allowance Act in terms of substance, in terms of the merits of the matter and in terms of what our veterans deserve has been made so well at this session and at other sessions across the years that it is hardly necessary to repeat it. I urge as strongly as I can, and as seriously and as earnestly as I can, that this matter be not left over as an item of unfinished business for another session but that something be done about it at this session. I see no reason why the Prime Minister should not announce the desire and willingness of the government to bring in such a bill tomorrow morning at eleven o'clock.

**Mr. Green:** Mr. Chairman, it has been significant that throughout the debate this afternoon and this evening, practically all of the attention has been focused on the war veterans allowance. I think I have never before seen a debate on veterans affairs proceed in that way. There is, of course, a reason for this fact. The plight of the war veterans allowance recipients and of those who might qualify if the restrictions were not so severe is the most serious situation facing the veterans of Canada today.

These men must have been fighting men. No one can qualify for the war veterans allowance unless he served in a theatre of

war, with the exception of those who are in receipt of a pension for a disability or an injury suffered in England or in Canada during the first war; and of course there is a similar eligibility for the veterans of the second world war.

**Mr. Brooks:** And those with dual service.

**Mr. Green:** Yes; there are also the men who had dual service. These men have a good claim to consideration by the government because, as I have said, they have been our fighting men. Not only have they a good claim but there is great importance to this question because time is so vital. They are now reaching an age when many of them are dropping off. Within the next year probably many hundreds of these men will die. They are facing not a deadline such as that which has been written into the Pension Act, but a death-line. Hence time is of the utmost importance.

There is one thing that stands out clearly today and it is that there will be no action whatever to help these veterans at the present session. Next year something may be done for them, but it is absolutely clear that nothing is to be done at this session. That fact, I submit, is the tragedy of this whole situation.

The primary responsibility for failure to act at this session rests squarely on the government. Recommendations were made to them unanimously two years ago by a special committee on veterans affairs set up in the session of that year. I have here a copy of the report which was dated June 18, 1952, and contains this recommendation with regard to war veterans allowance:

> Your committee further recommends to the government continued and sympathetic study of the needs and requirements of recipients of war veterans' allowance, keeping in mind the recommendations of veterans' organizations in that respect and particularly with regard to permissive income.

Some of us on that committee had tried to get through a resolution which called for action at the session of 1952, but the best we could do was this recommendation which I have read. It was made unanimously. Every member on that committee supported that recommendation. However no action has been taken by the government during the intervening two years, with the exception of some modification in the definition of what constitutes casual earnings.

Then recommendations on this question were made by the Canadian Legion every year. On November 10 of last year they submitted to the cabinet a brief which contained their recommendations, once again, for improvement of the War Veterans Allowance Act. They asked that the maximum payment to the single veteran be increased from $50 a month to $60, that the maximum payment to the married veteran be increased from $90 to $120, and that the ceiling on permissive income should be $1,200 for the single veteran and $2,000 for the married veteran.

Then we had put on the order paper, early in the spring, the motion for the setting up of a committee on veterans affairs. The government chose to word that motion in such a way that the committee had power to deal only with what bills were referred to it; and the Prime Minister announced that there would not be any amendment to the War Veterans Allowance Act at this session. There was therefore no prospect of having the War Veterans Allowance Act referred to the committee.

During the debate in the house on the setting up of the committee we sought to have the terms of reference widened in order to enable the committee to deal with the war veterans allowance, but the government refused to accept that suggestion. I had thought that as a result of the debate in the house the government might change its attitude.

I think perhaps that change of attitude might have taken place if private members on the government side of the house had taken a determined stand asking that the terms of reference be extended. However, only one or two of them did so. Mind you, Mr. Chairman, I realize that it is a great deal more difficult for a supporter of the government to rise in his place and criticize the government than it is for those of us who are on the opposition side to do so. However, in this instance I feel confident that if the Liberal members had been a little bit tougher at the time of the setting up of that committee we might not today be placed in the unfortunate position that nothing is to be done at the present session in the way of improving the war veterans allowance. I therefore repeat that the primary responsibility rests squarely on the government.

I do not blame the veterans affairs committee to the same extent, but I say that our committee on veterans affairs lost a splendid opportunity to bring about improvements. We heard representations from the Legion although the terms of reference were not supposed to include consideration of the war veterans allowance. We also had a brief from the national council in which they regretted that the war veterans allowance could not be considered at this session. When we came to consider what action should be taken by the committee some of us tried to put through a motion which would have had

the effect of asking the house to widen the terms of reference. That motion read as follows:

> That this committee submit a report to the house requesting that the terms of reference of the committee be enlarged to enable it to consider the War Veterans Allowance Act and make recommendations in respect thereof at this session of parliament.

That motion was ruled out of order by the chairman of the committee. He needed a good many law books and rule books and a very long argument in order to arrive finally at the decision that the motion was out of order. However, he did so rule. But I point out, Mr. Chairman, that every committee is master of its own fate. The members of that committee had the power to overrule the ruling which had been made by the chairman, and an appeal was taken to the committee as a whole against that ruling. We voted on that appeal. The government members lined up solidly behind the chairman. There again I can see a reason for their doing so. I regretted that they did, but it was much easier for those of us in the opposition to vote against the chairman's ruling than it was for the supporters of the government.

But quite frankly I find it very hard to understand why the hon. member for Cape Breton South and the hon. member for Okanagan Boundary saw fit to vote in support of the chairman's ruling because if it had been upset there is no doubt that the motion itself would have carried and we would have come back to the house with a recommendation that the terms of reference of the committee be extended so that it could consider the question of the war veterans allowance. However, they voted that way. Their colleague, the hon. member for Kootenay West, voted the other way. He justified his position in the committee and has done so in the house today.

In the final analysis a report was brought in by the committee to which the hon. member for Winnipeg North Centre has referred, and it does contain this reference:

> Your committee recommends that the government give sympathetic consideration to the said submissions.

That included the submissions on the question of the war veterans allowance. I believe that the report should have gone further and that it should have recommended that legislation amending the War Veterans Allowance Act be introduced at the present session of parliament. However, we do have this report recommending consideration. It has the value of placing before the government again the need for considering the question of the war veterans allowance, but it has the terrible weakness that no possible action can be taken at the present session to help recipients of the allowance. That, I think, is one of the saddest situations in which I have seen the veterans of this country placed since I came here in 1935.



This is a dangerous situation for the veterans of Canada for another reason. I believe that the government is refusing to do anything about the war veterans allowance because it is government policy to treat the war veterans allowance recipient on the same basis as ordinary civilian welfare cases. I believe that is the secret of the refusal of the government to listen to these various recommendations. Just a few days ago a bill was passed in the house known as the Disabled Persons Act. It is significant to note that the maximum amount that a disabled person who qualifies under the act can get is $720 a year if he or she is single and $1,200 a year if married. There you have the same ceilings that exist in the War Veterans Allowance Act.

Then we go back to 1951 to the Old Age Assistance Act. There again there is a ceiling of $720 for the single recipient and $1,200 for the married. Thus it becomes perfectly clear that the plan is to keep these old front-line soldiers on the same basis as civilians who are getting benefits under these civilian acts. As hon. members have pointed out, one result of that is that in British Columbia and Alberta today the civilian is getting more than the war veterans allowance recipient.

But the fundamental mistake in the government's policy is that the claim of the war veterans allowance man is completely different from that of the civilian. The civilian gets these payments as a matter of welfare. The war veterans allowance man gets them because he risked his life for his country. His claim is for services rendered and he should not be put on the same basis as the civilian. He has a claim as of right. I believe that every member of the house down in his heart knows that such is the case and that there is that great distinction between these two groups. I believe it is a tragedy that the government is failing to recognize that difference and is forcing these war veterans allowance men to remain in the same position as welfare recipients.

That is not what the members of the house wish, no matter to what party they belong. It is not what the newspapers of this country wish. I daresay there have been editorials in every leading paper in Canada in favour of doing something for these fighting troops. It is not what the Canadian people wish, whether they be young or old, whether they be old comrades of these war veterans allowance men or whether they be civilians. They

want to see these fighting men treated in a fair way and treated on the basis of having earned the right to receive this help from their country. I do not believe there is a person in Canada who would be unwilling to see money put out to increase the war veterans allowance to the amount set by the Legion and to raise the ceiling on permissive income to the amounts the Legion requests.

There you have the reason why this is a fighting issue. This issue is not going to be allowed to drop by members of the house who have taken their stand for years, or by the newspapers of the country or by the veterans organizations. I hope that the Canadian people will insist that the just claims of these veterans be recognized. I can only add in closing that I think it is a terrible tragedy that nothing is to be done for these fighting men at the present session.

**Mr. Cameron (Nanaimo):** I should like at the start, Mr. Chairman, to heartily endorse the suggestion made by my colleague, the hon. member for Winnipeg North Centre, because I am quite sure he was right when he expressed the view there is not a single one of the 243 private members of the house who would oppose this measure. In fact, I would think this would be an opportunity for some of them to get up and say if they do oppose that suggestion. I do not see any of them getting up, so I presume we can take it for granted that they all agree with the hon. member for Winnipeg North Centre.

**Mr. Knowles:** Speak now or forever hold your peace.

**Mr. Cameron (Nanaimo):** I am at a loss to understand why this government periodically persists in doing something so stupid as they have done with regard to the war veterans allowances. There can only be one of two reasons that makes them decline the demands of not only the veterans organizations but of the citizens of Canada. I am quite sure there is not a member in this house who does not feel a sense of shame when he reads in the newspaper the sort of case referred to by the hon. member for Vancouver South. There can be no member in this house who tonight does not feel a sense of shame when he knows that if the government persists in its foolish, stupid opposition, before the house meets again there are going to be many more old men and old women who are going to turn on the gas. We all know that. They are going to turn it on and stick their heads in the oven. I would not consider it advisable for any member to treat this matter with levity, because it is not such a matter. It is a matter for shame for all decent Canadian citizens.

As I say, there is only one of two reasons. One is that they consider the veterans of two world wars do not deserve any greater measure of generosity than parliament has already granted them. I doubt if there is any member of this house who would have the foolhardiness to rise and suggest that that is a reasonable cause for the government's position. I doubt if there is anyone here who would have the temerity to get up and say that the man who risked his life for Canada is not worth more than he is getting now under the legislation. There may be some, but I doubt if there are any in this chamber who would dare get up and say so.

I am not suggesting that all those who joined the armed forces and fought in Canada's wars were heroes. We were not heroes. They are few and far between. It is time, however, I believe for this government to be reminded of the fact that every man who joins the armed forces of this country takes the risk that he is going to lose his life in that service. He takes another risk, too, in fact it is almost a certainty. He runs an almost certain risk of damaging himself physically or psychologically or both. It has been stated that most of the veterans of the first world war can be considered medically some ten years older than their calendar age. I do not know whether or not that is true, but I have heard that reported on many occasions. I am quite sure a very large majority of those who went through the four years of the first war came back to Canada impaired in some way in their health. I doubt whether that is the reason the government is declining to do this.

The only other reason is that we cannot afford it. I do not know what it would cost to implement the demands of the Canadian Legion. I do not know whether it would mean adding 50 per cent or 100 per cent to the present expenditure of $27 million on war veterans allowances. But even if it cost 100 per cent more, even if it means our bill for war veterans allowance will be doubled, and we will have to spend another $27 million, I think that is a very weak and shaky reason for refusing to do it. This $27 million is a lot of money, and of course the government may perhaps hesitate to ask the taxpayers of Canada to dig into their pockets to find another $27 million.

On the other hand the government apparently had not the slightest hesitation or compunction in not asking but forcing the taxpayers of Canada to dig into their pockets to the tune of $277 million, since the Department of Defence Production was established, as an allowance for write-offs on income tax

for those firms that are patriotically providing the sinews of war. The amount is reported here as $277 million that has been accorded these people by way of additional benefits in income tax write-offs since the Department of Defence Production was established in 1951. The government had no hesitation whatever in digging into the pockets of the Canadian taxpayer to the tune of $48 million in order to make grants of additional working capital for one year, 1953, to those firms that are producing the sinews of war which may be used by future generations of Canadian veterans who will have to get along on $40 per month.

I am going to suggest that the government had better tell the people of Canada very bluntly and plainly just why they consider that the gentlemen who own the industries, many of these industries which were apparently built by public funds and which provide the sinews of war, are more worthy of aid from the public treasury than are the men who came back from two wars. I wonder, Mr. Chairman, how much we are paying in the way of profits on the expenditures we are going to make this year of $160 million on naval equipment; $80 million on army equipment and nearly $447 million on air force equipment, a total of some $688 million on military equipment for which orders are being placed this year according to the estimates before us. I wonder what percentage of that is going in perhaps not exactly justifiable profits to those who own those industries. I wonder whether perhaps we might consider that one per cent or two per cent of that volume might be exceptional profits, profits to which one could reasonably take exception.

If they were, of course, and if we decided not to give it to those operating these industries we would have ample funds to implement the Legion's demands. This would allow some sort of justice to be accorded to the old men, who once were young and who in the days of their youth gave their services to the people of Canada.

**Mr. Lapointe:** In rising to speak on this item of the departmental estimates, Mr. Chairman, I feel that at the very beginning I should offer my thanks and those of the government to the members of the veterans affairs committee who this year have made a thorough study in their usual efficient manner of the legislation referred to them by this house. I recognize that on this committee there are some veterans, not of wars but of the committee's work, and there are also some new members who made a fine contribution.

I would like to thank at the same time the various veterans organizations, the Canadian Legion, the National Council of Veterans Associations, the non-pensioned widows and the merchant seamen who came before the committee, presented briefs and made representations in their usual constructive manner.

Since the debate began this afternoon many subjects have been discussed by hon. members who have participated. I believe some of these matters could be answered more appropriately when we are discussing the specific items in the estimates dealing with the matters concerned. However it is obvious that the whole debate has centred on this very serious question of war veterans allowances. Observations have been made which I believe call for some rectification on my part, or at least for a statement of certain facts which may have been overlooked in discussing the matter.

I am not saying for one moment that the matter has not been discussed properly by hon. members. However I do feel that certain terms used in the house and outside of it with reference to war veterans allowances have been somewhat exaggerated, and that the use of words such as indifferent, callousness and stupidity as regards this administration is indicative of a lack of comprehension of all the implications of this particular question.

I do not want to go over the whole history of war veterans allowances. However I do believe that in order to understand exactly the position of the government in considering this question the picture should be made clear. I say this because to many of us who are familiar with veterans legislation, such as members of the committee who have been sitting for some years and following that legislation, it appears very clear; to some members of the press who have followed it it is also clear. However, at least to myself and others who are receiving representations from outside, and who are reading certain editorials in the press, it is plain there is uncertainty in the public mind as to what war veterans allowances are. In many people's minds there appears to be confusion between war veterans allowances and disability pensions.

I say this because I have received many letters in which it is pointed out that something should be done about raising the war veterans allowance for the old wounded veterans. In other words, in the minds of many people there is no appreciation of the fact that war veterans allowances and pensions for disability incurred during service are two different things.

The war veterans allowance was instituted in 1930. I thought the hon. member for Acadia stated the situation very clearly this

afternoon. It was created for the purpose of looking after the older veterans, and making available to them the old age pension, as it was called at that time, ten years before any other citizens were eligible to receive it, on the basis that active service in the front line would cause pre-ageing by ten years in any man who had been called upon to perform in the front line. Consequently those who could qualify under the original act were veterans who were sixty years of age, and those who, being under sixty years, could be certified to be totally disabled and incapacitated. No others qualified. The benefit given at that time was that they could receive the equivalent of the old age pension, under the same conditions of a means test and, as I have said, ten years sooner.

What has happened since then? Well, of course the act has been widened, and new groups have been admitted. Widows and dual service veterans have been brought in. Veterans have also been made eligible whose circumstances were such that as a result of the combination of their financial circumstances and their physical condition they have found it impossible to find work in the labour market.

Furthermore, all through the history of this legislation the amount paid by way of war veterans allowances, and the ceilings imposed under the means test, were always parallel to those of the old age pension, for the reason given this afternoon by the hon. member for Acadia—that at the very beginning it was stated that the purpose of the legislation was to make old age pensions available to older veterans ten years before other citizens in this country were so eligible.

The hon. member for Vancouver-Quadra says he knows the secret as to why the government will not accede to the demands being made. He said it is because we are assimilating these veterans into the civilian population, and giving them the same treatment as civilians. There is no secret about this. That has been said right along, ever since the act was created. I repeated it last year and I said that I could not see how a major change could be made in this legislation which would break the ties that have existed between war veterans allowances and old age pensions, a relationship which has always existed between those two pieces of legislation.

**Mr. Pearkes:** Remove the means test.

**Mr. Lapointe:** I shall deal with this matter.

What is the situation at the present time? I should like to give a few figures in order to show that in spite of what has been said here tonight the government has considered this question very seriously, that there are important factors to be considered before making any changes in the legislation, and that the implications may well be more far-reaching than is understood by at least some hon. members opposite.

At the present time the estimates indicate that the item for the war veterans allowance, together with the assistance fund, total $27,715,500. This amount has been increasing in the last ten years. I believe that ten years ago it was about $14 million. However this increase is a normal process. Another factor which must be considered in the cost of war veterans allowances is that the recipients of the allowance are also entitled to free medical treatment. And, although the money expended for medical treatment for the recipients of the war veterans allowance does not appear in a separate item in the estimates, the cost in the last fiscal year was $8,992,850, or just a few thousand dollars less than $9 million. This sum should be added to the $27 million I have just mentioned.

What would happen from the point of view of increasing liability if at the present time increases, as some have been suggesting, were adopted by the government?

It has been suggested that the allowance should be increased from $50 to $60 for a single recipient and from $90 to $120 for the married recipient, and at the same time the ceilings should be raised to $1,200 for the single recipient and to $2,000 for the married recipient. That alone, sir, would increase the present liability for war veterans allowance by over $16 million. That is, it would increase the expenditure for the present year by 60 per cent, on the basis of the present number of recipients; but to that must be added an estimated $2,500,000 for additional recipients, which must necessarily follow from the fact that the ceiling is raised. As hon. members know, every time the ceiling is raised in legislation such as this new groups of people qualify and the expenditure is thereby increased. Therefore, at the present time, to give the increases both in the amount and in the ceilings that I have mentioned would raise our present liability for war veterans allowances to an amount between $46 million and $47 million. This is far from the $3 million that has been mentioned by certain members. And I can assure this committee that these estimates are very conservative indeed.

**Mr. Green:** May I ask the minister a question? Can he break that down into the amount that it would cost to increase the ceiling on permissive income?

**Mr. Lapointe:** I am sorry, I have not the figure which would show the increase in cost simply by increasing the ceiling to $1,200 and $2,000; but I have had computations made, and to raise the ceiling from $720 to only $840 for the single person and from $1,200 to $1,440 for the married person would cost approximately $4 million, and that is of course without increasing the amount of payment to the present number of recipients.

It has also been represented that besides the increases which we are asked to grant, the benefits of the act should be made available to veterans who served in the United Kingdom only during the first war, in the same way as those who served in the United Kingdom during the second war receive them. Well, there again, Mr. Chairman, that item alone is estimated to increase the annual liability by $5,670,000.

Therefore, the points that I have mentioned, namely, increasing the amounts, increasing the ceilings and making the allowance available to world war I veterans who served in the United Kingdom only, would increase the annual liability at this time from $27,750,000 to over $52 million, or an increase of approximately 95 per cent. Whether that should be done or not is certainly a matter to be decided only after serious consideration. I am simply putting these facts and figures before the committee so that it will be realized that before taking a major decision such as this the government has some very important factors to consider.

There are other aspects of the question which I believe the government and the committee must consider also, and they should be put on the record. There is the effect that the increase in ceilings would have, and I am speaking of course of the suggestion to increase the ceilings to $1,200 for the single recipient and to $2,000 for the married recipient. At the present time a single man receiving war veterans allowance, if he can supplement his allowance, can receive up to $720, which represents a disability pension of about 50 per cent, the full pension being $1,500. A married man, if he supplements his allowance, can receive the equivalent of what a married 60 per cent disability pensioner receives.

I should like to point out that ever since this act was put on the statute books of Canada there has always been a correlation between the war veterans allowance and the Pension Act; that is, the amounts paid under the War Veterans Allowance Act have always borne a relationship to what could be paid under the Pension Act. If the present ceilings were raised, it would mean that a single veteran could get the equivalent of a 75 per cent disability pension, although he might not be pensioned at all, and the married veteran could get up to the equivalent of a 95 per cent disability pension. A 100 per cent disability pension, as hon. members know, is $2,040.

**Mr. Brooks:** May I ask the minister this question? If the rate for a single recipient of war veterans allowance is raised to $60 that certainly is not 75 per cent. Did the minister say that?

**Mr. Lapointe:** I am sorry; I did not make myself clear. I was speaking of the proposed ceiling of $2,000 for the married recipient.

**Mr. Brooks:** The government does not pay that.

**Mr. Lapointe:** No.

**Mr. Harkness:** That is what he is able to earn.

**Mr. Lapointe:** That is correct. In other words, the 30 per cent disability pensioner who is single could supplement his disability pension and receive the same amount as a 75 per cent disability pensioner, the amount coming both from the pension commission and the war veterans allowance board. The married 25 per cent disability pensioner could supplement his disability pension through war veterans allowances so that it would be the equivalent of a 95 per cent disability pension. I am simply pointing that out because it is certainly not the usual relation that has existed between the payments made under the two acts. Whether this is desirable or not and whether the seriously disabled veterans of this country and the public would like such a state of affairs to exist is something which the government must necessarily take into consideration.

**Mr. Brooks:** But all the veterans are asking for it.

**Mr. Lapointe:** I have heard many representations. There is another aspect which must be considered and which may be of some interest to the committee; for instance if the ceiling of $2,000 was put into the act many veterans in steady employment, including some who are permanent lower grade employees in the civil service, would be supplementing the regular salary which they are earning with the war veterans allowance. I know that in the Department of Veterans Affairs there are very many classifications of employees in the lower grades who are receiving salaries under $2,000. These employees, if married, would be supplementing their salary. It may be said that they should be receiving more, but I would suggest

that the War Veterans Allowance Act was not conceived to be an instrument through which such adjustments should be made.

Not only that, but a great number of retired civil servants who have 20, 25 or more years' service in positions paying $3,000, $3,500, and up to $4,000 would be able through war veterans allowance to supplement their superannuation of less than $2,000 to which they are entitled under the Public Service Superannuation Act.

As a matter of fact in my own department I have found that in the last year there have been 66 employees with salaries of $3,000 or under, who were retired after having completed an average of 22 years service in the department. Now, under the Public Service Superannuation Act their retirement pension will average $805 per year. Each one of those who was a veteran who had served overseas would qualify under the provisions of the act, thus enabling him to supplement his superannuation to the amount of $2,000, which, in many cases, would be the equivalent of the salary at which he retired.

I am simply putting these facts before the house in order to emphasize that this matter has been under consideration, that the government has given the subject a thorough study, and in fact is still doing so. I can assure hon. members that the recommendations made by the veterans affairs committee to the effect that this matter should be considered with sympathy by the government will receive the attention of my colleagues and myself. In fact, this legislation, as well as all other veterans' legislation, is continually under survey within my own department. I give it all the consideration possible within my own limited capacity, and it is also given consideration by my colleagues. That is evidenced by some of the facts which have been mentioned here today.

The hon. member for Esquimalt-Saanich and the hon. member for Cape Breton South made reference to the new instructions which have been issued defining casual earnings for the purpose of the War Veterans Allowance Act and I suggest that anyone who reads these instructions will agree that this is not a definition which shows any lack of generosity, or indicates callousness on the part of the government. It is a very generous definition and one which will benefit a great number of recipients. The same is the case with regard to instructions on farm income.

**Mr. Quelch:** Would the minister put the definition regarding casual earnings on the record?

**Mr. Lapointe:** I would be very glad to do so but it is a rather extensive statement.

**Mr. Quelch:** There is no necessity to read it.

**Mr. Brooks:** The minister can have unanimous consent to put it on the record.

**The Deputy Chairman:** Has the minister unanimous consent to place this definition on *Hansard*?

**Some hon. Members:** Agreed.

**Mr. Lapointe:** The definition is as follows:

Re: Casual earnings

The board has made a study of all cases which have been submitted by the district authorities in accordance with W.V.A.B. directive No. 17-1953 as amended and the chairman's letter dated August 24, 1953. As a result of this study the following instructions, which will supersede previous directives on the subject, are issued to cover all types of cases and the district authorities can now deal with them on the basis of the formula outlined hereunder.

Casual earnings exempted as income by Sec. 6.(d) of the War Veterans Allowance Act in respect of recipients under Sec. 3. of that act fall into four principal categories.

(a) Earnings by a recipient and/or his wife for work of an irregular nature commonly termed "odd jobs", i.e. small jobs complete in themselves for one or more employers.

These earnings are fully exempt.

(b) Earnings by a recipient and/or his wife resulting from part-time regular employment such as a caretaker for a church or school, a canteen attendant, a crossing guard, self-employment at home on a part-time basis, etc.

Earnings under this category may be exempt in an amount which will not exceed an average of two dollars per diem for 25 working days in any month.

(c) Earnings by a recipient and/or his wife resulting from full-time temporary employment of limited duration such as at summer camps, guard duties, collecting tickets at race tracks, replacing a regular employee on holidays, harvesting or other similar activities of relatively short duration.

Earnings under this category may be exempt for a period or periods of employment which do not exceed a total of 12 weeks in any V.A. year. Where such period or periods exceed 12 weeks in the V.A. year only the amounts earned during the first 12 weeks may be exempt and the other earnings will be considered as income.

The district authorities will suspend payment of the War Veterans Allowance as soon as full-time employment is reported by a recipient and will make the necessary adjustments in accordance with the above principles when such employment is terminated.

(d) A remuneration earned as a result of some isolated deal such as receiving a commission for helping sell or buy a property of or for a friend, provided such transaction is unusual, personal and direct between the recipient and the person concerned and not performed as an agent or sub-agent of a real estate firm or dealer.

Earnings under this category are fully exempt.

There may be some exceptional cases which the present directive does not appear to cover. If so, district authorities should refer such cases, with full particulars, for decision by the war veterans allowance board.

Cases which have been decided in accordance with former directives and which, if dealt with under the present directive, could be changed, may be reviewed, providing no adjustment shall be made for deductions on account of earnings prior to September 1, 1953.

As regards farm income which I understand was often a source of difficulty, we have a new definition which I think meets the demands made by the various veterans' organizations. Perquisites are no longer taken into consideration in computing the income of the farmer. Under the new formula 25 per cent on the first $1,000 gross income of the farmer veteran is considered as income, 40 per cent on the next $1,000 gross income, and 50 per cent on the third $1,000 gross income is considered as income under the act. If he prefers, he can keep an accounting of his farm operations and his net income would be established by his own books. Our own field man operating under the Veterans Land Act would help the veteran in this particular work.

I am simply mentioning these facts to show that the government always has under consideration the interests of the recipients of the war veterans allowance. Decisions in this regard are most important and have many serious implications. For the reasons I have mentioned, the government has not found it possible at this time to recommend the increases which have been requested.

**The Deputy Chairman:** Shall the item carry?

**Mr. Quelch:** Will the minister deal with this one point? On the basis of the presumption that a veteran has pre-aged by ten years, and in view of the fact that at the age of 70 the means test has been lifted for the civilian, why has not the means test been lifted at the age of 60 for the veteran?

**Mr. Lapointe:** For one thing, I think the government would have to consider that most veterans are still working at age 60. Furthermore, I must point out to my hon. friend that this would mean that every veteran who, at one time or another, had spent one day overseas would automatically get war veterans allowance upon reaching the age of 60, whatever might be his financial circumstances. To me it is the equivalent of what is usually known as a service pension. In the past there have been discussions as to the desirability of having service pensions; that is, that every man who, at one time or another during his life, was in the active forces of Canada, by the fact of his service, whether he needed it or not or whether he was disabled or not, should receive a pension. When these discussions took place I believe the veterans organizations themselves did not press that point. They thought it was better to ask for appropriate disability pensions and various other means of assistance.

**The Deputy Chairman:** Shall the item carry?

[Mr. Lapointe.]

**Mr. Hansell:** No, Mr. Chairman.

**Mr. Green:** If the item is not being carried, Mr. Chairman, may I point out that it is after ten o'clock.

**Mr. Hansell:** I do not want to delay the committee, Mr. Chairman—

**The Deputy Chairman:** I hesitate to interrupt the hon. gentleman but I think there is perhaps at this time, on this day, some merit to what has been said. I want to make it clear that, in so far as I am concerned, the committee will sit only with unanimous consent. Is it the desire of the committee to complete this item tonight or is there to be further discussion?

**Mr. Hansell:** I should like to speak for a few minutes on it, Mr. Chairman.

**Mr. Green:** Then, Mr. Chairman, I would ask you to call it ten o'clock.

**Mr. Hansell:** I believe that there are others in our group and some of those in the other groups who also wish to speak.

Item stands.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris:** Tomorrow, Mr. Speaker, we shall start with the Department of Agriculture. Before the day is ended I hope that we shall find enough time to complete the veterans affairs items and to go on with mines and technical surveys.

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

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

DEPARTMENT OF TRADE AND COMMERCE

National research council and atomic energy control board—

National research council—

289. Salaries and other expenses, $14,294,367.

290. Construction or acquisition of buildings, works, land and new equipment, $1,787,265.

Atomic energy control board—

291. Administration expenses of the atomic energy control board, $62,680.

292. Grants for researches and investigations with respect to atomic energy, $300,000.

Atomic Energy of Canada Limited (research program)—

293. Current operation and maintenance, $8,379,765.

294. Construction or acquisition of buildings, works, land and new equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works at Deep River for Atomic Energy of Canada Limited, $4,805,010.

Exhibitions—

430. Exhibitions generally, $325,962.

431. Canadian international trade fair, including authority to refund, from revenue, deposits received for contracts for space, $867,600.

Standards branch—

432. Administration, including the standards laboratory and administration of the Precious Metals Marking Act, $188,922.

433. Electricity and gas inspection services, $683,021.

434. Weights and measures inspection services, $774,222.

Dominion bureau of statistics—

435. Administration, $198,949.

436. Statistics, including membership fee of $3,100 to the inter-American statistical institute, $4,970,005.

437. Census, $536,321.

Canada Grain Act—

Board of grain commissioners—

438. Administration, $179,361.

439. Operation and maintenance expenses, $3,688,498.

Canadian government elevators—

440. Operation and maintenance expenses, $1,380,542.

441. Construction or acquisition of buildings, works, land and new equipment, $299,000.

Special—

442. International economic and technical co-operation branch, including the administration of the Colombo plan and of certain United Nations co-operation plans, $118,486.

Loans, investments and advances—

National research council and atomic energy control board—

Atomic Energy of Canada Limited—

537. To provide for advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the construction of a new reactor and auxiliary buildings at Chalk River, works to provide services in connection therewith, and housing and other works to be constructed at Deep River; and to authorize Central Mortgage and Housing Corporation to undertake construction of the said housing and other works at Deep River for Atomic Energy of Canada Limited, $9,858,000.

538. To provide for working capital advances to Atomic Energy of Canada Limited, subject to such terms and conditions as the governor in council may approve, $5,319,800.

National research council and atomic energy control board—

National research council—

689. Construction or acquisition of buildings, works, land and new equipment—further amount required, $400,000.

Atomic energy control board—

Atomic Energy of Canada Limited (research program)—

690. Current operation and maintenance—further amount required, $250,000.

General administration—

731. Commodities services, including fees as detailed in the estimates, the expenditure for these not to exceed the amounts shown unless otherwise approved by treasury board—further amount required, $5,500.

Exhibitions—

732. Exhibitions generally—further amount required, $20,000.

Canada Grain Act—

Canadian government elevators—

733. Operation and maintenance expenses—further amount required, $49,000.

Special—

734. To provide hereby, notwithstanding anything contained in the Financial Administration Act or any other act or law, for payment out of the consolidated revenue fund to Julio Moreira, a former locally engaged employee, of a pension, in accordance with the terms of Argentine law, from January 1, 1953, at an annual rate of 16,785.08 Argentine pesos, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of April, 1954, which is, $1,250.

# HOUSE OF COMMONS

**Friday, June 18, 1954**

The house met at eleven o'clock.

## HOUSE OF COMMONS

SECRETARY OF STATE—REPLY TO QUESTIONS ASKED ON ESTIMATES

On the orders of the day:

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, the other evening when my estimates were under discussion, I undertook with the hon. member for St. Paul's (Mr. Michener) and the hon. member for Winnipeg North Centre (Mr. Knowles) to reply to certain questions about the civil service commission about which I did not have information available at that time. I think the easiest way for me to reply, if you will permit me to do so, Mr. Speaker, is to read a letter I have received from the chairman of the civil service commission. It replies to both questions and I think that it contains practically all the information on the subject that can be put succinctly. The letter reads as follows:

June 17, 1954.

Dear Mr. Pickersgill,

With reference to the questions of Mr. Michener and Mr. Knowles last evening as to the number of "civil servants, in round figures, for whose appointment the civil service commission is responsible, and the total payroll of that group of civil servants", as well as "the balance of the payroll", and also "the number of permanent and temporary civil servants", the latest available information as contained in a memorandum of the dominion bureau of statistics for the month of February, 1954, shows that in the "classified" positions of the service, which are almost entirely composed of the appointments under the jurisdiction of the civil service commission, there were 135,884 employees with a payroll for the month of $34,819,104. Of these 76,938 were temporary and 58,946 were permanent employees. The comparative figure for 1949 was 123,924, of whom 86,015 were temporary and 37,909 were permanent.

In the remaining section of the service there were 22,245 prevailing rate employees, 10,861 casuals and 1,770 ships' crews, with a payroll for the month of February, 1954, of $6,850,943.

Yours faithfully,
C. H. Bland,
Chairman.

## EXTERNAL AFFAIRS

GENEVA CONFERENCE—INQUIRY AS TO FURTHER ATTENDANCE BY MINISTER

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the turn of events in France and the possible bearing of that turn on the discussions with regard to Indo-China and other international problems, is the Secretary of State for External Affairs considering returning to Geneva?

**Hon. L. B. Pearson (Secretary of State for External Affairs):** No, Mr. Speaker, I have not given consideration to that matter. The Korean part of the talks, as the hon. gentleman knows, has been completed, and that is the part of the conference with which we are most directly concerned. I do not think it would serve any useful purpose if I returned to Geneva for the continuation of the Indo-China talks.

REPORTED REQUEST BY UNITED STATES TO SEARCH SHIPS OF FOREIGN REGISTRY

On the orders of the day:

**Mr. Colin Cameron (Nanaimo):** I should like to direct a question to the Secretary of State for External Affairs. I have not been able to give him any notice but he will understand why when I ask my question. Has the Canadian government received any representations from the United States government with regard to the reported demand or request of the United States authorities to search ships of foreign registry?

**Hon. L. B. Pearson (Secretary of State for External Affairs):** No request of that kind has been addressed to the Canadian government by the United States government.

## AIRPORTS

YORKTON—REPAIRS TO RUNWAYS

On the orders of the day:

**Mr. G. H. Castleden (Yorkton):** Mr. Speaker, I wish to direct a question to the Minister of Transport or, in his absence, to his parliamentary assistant. What steps have been taken to have repairs made to the runways at the Yorkton airport where they have been rendered unsafe by the recent rains?

**Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport):** Mr. Speaker, I am grateful to the hon. member for having given me notice of this question. I am informed that the runways at Yorkton airport suffered some damage during the spring break-up and that T.C.A. had to suspend its service at that

point pending the necessary repairs. I understand that these repairs have now been completed and that the service has been resumed.

I wish to add that our engineers are at present carrying out a complete survey in order to ascertain whether further repairs are needed. As soon as a report is received, everything possible will be done to carry out this year whatever additional repairs might be deemed to be necessary.

## WAR VETERANS ALLOWANCES

REQUEST FOR AMENDMENTS TO ACT

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Prime Minister? In view of the unanimous and wholehearted wish of all private members of the house, will the government even yet reconsider the matter of introducing legislation at this session respecting the War Veterans Allowance Act?

**Right Hon. L. S. St. Laurent (Prime Minister):** The answer is no, Mr. Speaker.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF AGRICULTURE

Administration service—
1. Departmental administration, $432,490.

**The Chairman:** Hon. members will find the vote on page 4 of the blue book and the details commence on page 76. Shall the resolution carry?

**Mr. MacLean:** Mr. Chairman, when the committee last considered this item of the estimates on April 30 numerous members joined in expressing their pleasure at the fact that the Minister of Agriculture was restored to health and was back in the house. I should like to join those members in expressing my pleasure that the minister continues in good health and I hope he will for many long years. In his speech on April 30 the minister quoted quite a number of statistics regarding cash income from the sale of farm products for the last ten years. From these figures one would be led to believe that the agricultural industry in this country is quite prosperous, and the impression was left that it was not only prosperous in a general way but prosperous all over the country in every particular.

When I visited my riding not long ago I happened to meet a neighbour of mine who is a farmer. He went to town with me and on the way he said: "I am going to town because I have sold some of my cattle in order to meet the next payment on my farm improvement loan for my tractor." I asked him how it came about that he was selling cattle to meet this obligation, and he said that it had been a tough year. I said to him: "That cannot be so. The Minister of Agriculture says it is a very prosperous year and he has statistics to prove that you never had it so good." The reaction of my friend was rather astonishing or surprising. He was moved to quote Disraeli. I do not know whether he was conscious of quoting Disraeli but he said: "There are three kinds of lies; there are lies, damned lies and statistics."

That made me realize the importance of examining very carefully statistics which are put forward to support any argument. In the light of whatever knowledge I happen to have regarding statistics I thought it wise for me to examine the figures which had been given by the minister. I also thought it wise to try to increase my knowledge of statistics and the traps into which the unwary may fall if they try to follow statistics without examining very closely what they really mean. I remembered H. G. Wells' comment on our modern civilization when he said that statistics will one day be as necessary for efficient citizenship as the ability to read and write.

With the large volume of statistics that is being thrown at us by government bureaux and other organizations in recent years, I think that time has already arrived. After all, we must have very sceptical minds in order to deal intelligently with such things as advertisements for tooth paste, travel circulars, claims for patent medicines and some statements which are made by chronically optimistic cabinet ministers.

Therefore in self-defence I felt it was wise for me to try to learn a little more about statistics. In line with that idea I got a book which might help me to interpret statistics a little more accurately. I should like to quote from the introduction to the book. In one place it says:

> The secret language of statistics, so appealing in a fact-minded culture, is employed to sensationalize, inflate, confuse and oversimplify. Statistical methods and statistical terms are necessary when reporting the mass data of social and economic trends, business conditions, "opinion" polls, the census. But without writers who use the words with honesty and understanding and readers who know what they mean, the result can only be semantic nonsense.

The author goes on to say:

> This book is a sort of primer in ways to use statistics to deceive. It may seem altogether too much like a manual for swindlers. Perhaps I can justify it in the manner of the retired burglar whose published reminiscences amounted to a graduate course in how to pick a lock and muffle

a football: The crooks already know these tricks; honest men must learn them in self-defence.

It is in self-defence that I have resorted to this book. Incidentally, the title of it is "How to Lie with Statistics". I do not mean to imply that dishonesty has been used by any cabinet minister. I think statistics are legitimate material for supporting an argument, but nevertheless by that very fact it becomes necessary for those who are required to present and support the other side of the argument to try to interpret these statistics intelligently. I should like to refer briefly to the speech that the minister made on April 30. It appears on page 4280 of *Hansard* and reads in part as follows:

I have in my hand a summary table, "cash income from the sale of farm products and from supplementary payments over the years, from 1942 down to the present". I have had those years following 1942 divided into three-year periods; my reason being that we have considered, in arriving at conclusions, that it is not advisable just to take one year and compare it with other years before or after.

It is much better to take three-year periods and compare one three-year period with a like three-year period. From 1943 to 1945 we had income from farm products in the east amounting to $655 million the first year, $703 million the second year and $770 million the third year, or a total of $2,128,562,000. Following the same plan, in the next three-year period we had in the east $2,871,173,000. But I think it probably would be better if I were to take east and west side by side rather than to go through one list and then the other. Therefore going back to the first three-year period, income from farm products amounted to $2,128,562,000 in the east and $2,858,770,000 in the west. In the next three-year period the figures are $2,871,173,000 in the east and $3,348,716,000 in the west. In the third period, from 1949 to 1951, the figures are $3,605,406,000 in the east and $3,952,669,000 in the west. So far as the last period is concerned, we have only gone through two years of it and the figures are $2,444,668,000 in the east and $3,129,903,000 in the west.

I have made an estimate of what the amount is likely to be over the three-year period, and at this time I will read the total amounts for all Canada in each of the three-year periods. They are: from 1943 to 1945, $4,987,332,000; from 1946 to 1948, $6,219,889,000; from 1949 to 1951, $7,558,075,000; and for the last period of two years $5,574,571,000. If I were to add to the last figure the estimate for the present year that total would be $8,200 million worth in each for farm products.

Now, Mr. Chairman, in examining those figures we must realize that, in the first place, in each case we are given two different bundles of figures; one for all of western Canada and the other for all of eastern Canada. Those figures are quite accurate: I do not reflect on them in any way. But it must be realized that they do not express in any way agricultural conditions in certain smaller areas which are bundled in with an area that may be prosperous. There is no reference to each year. There again, we have the statistics in a bundle and we have the figures for three years together. We may have a very bad year that will put a lot of farmers into bankruptcy, but when you lump that one year in with two other years that have been relatively good the result looks acceptable.

You will notice also, Mr. Chairman, that these figures are for cash income. There is not necessarily any relationship between a farmer's cash income and his profits for a year. There is no indication, either, of the number of farmers amongst whom this amount of money was divided. The minister gave no figures, and I have none, to indicate the number of farm operators who had to share this total cash income. There is no indication of the number of people who were fed from the products of the farmers who received this cash income. Our population is going up very rapidly. Canadian farmers are feeding 15 million people in Canada this year, at least to a great extent. Our food is not all produced in Canada, of course, but the major portion of it is. A number of years ago the population was much smaller, so the amount of food produced for the cash received has gone up and therefore the cash receipts should naturally go up in proportion for the individual farmer to be as well off.

Then, another thing of which we should take note is that so far as the figures for 1954 are concerned the minister made an estimate. He extrapolated two figures for last year and the year before and said they are probably such and so for the present year, and arrived at a figure for the three years in order to convince the farmers that they are prosperous. It may be possible to do that in some areas, but I am afraid the minister will not succeed in the area from which I come. In this area the small operator is in a continually worsening position. The big specialists who produce milk for cities and operate on a large scale near the city are getting a bigger and bigger slice of the cash income for farm products.

What I am chiefly concerned with, of course, is agricultural conditions in my own province of Prince Edward Island. I should like to put some figures in that regard on the record. The first thing I want to indicate is the cash income for 1951, 1952 and 1953. The figures in all cases are for three years. Incidentally, these were the figures the minister gave for all Canada. The figures for Prince Edward Island are as follows: for 1951, $26 million; for 1952, $31 million; and for 1953, it was down to $22 million, a drop of about 30 per cent in one year.

**Mr. Kirk (Antigonish-Guysborough):** Where did you get those statistics?

**Mr. MacLean:** I got them from the dominion bureau of statistics report on farm net income for 1953.

The net income for those three years is $17 million, $20 million and $12 million, that is a drop of 40 per cent in one year in the net income. After all, that is what the farmers' profits are.

Now, on the other side of the ledger, let us examine what has been happening to the farmers' operating costs. This applies to Prince Edward Island. We will start out with taxes. In 1951 the taxes were $475,000; in the next year, $516,000; and last year, $540,000, a continual increase. The figures for hired labour are as follows: $2,756,000; then, it went up to $3,168,000 and in 1953 dropped back to almost the 1951 point, $2,754,000. Then, we have interest on indebtedness, and I think these are significant figures. In 1951 it was $316,000; next year it rose to $325,000; and last year it was $346,000. The cost of tractors increased from $324,000 to $415,000 and then to $469,000. The cost of fertilizer increased from $1,962,000 to $2,684,000, and last year it was $2,844,000. The figures for building repairs are as follows: in 1951, $1,075,000; 1952, $1,358,000 and last year $1,425,000. There is a steady increase in that item.

**Mr. Gardiner:** I wonder, Mr. Chairman, whether my hon. friend would object to reading now what I said about the potato crop?

**Mr. MacLean:** I am sorry; I had intended to refer to that. I have it marked in his speech, and I thank the minister for having mentioned it. At page 4281 of *Hansard* the Minister of Agriculture made reference to the situation regarding the potato growers of Canada. He said:

> I think I should say a few words with regard to potatoes. There has been a situation in Canada recently which is quite different from that to which we have been accustomed. We are finding it more difficult to sell our potatoes in Canada than we have done for some little time. We had to sell our potatoes at the level which has been set under the measures we took from time to time to establish floor prices. We had to establish a price in relation to potatoes grown in the maritime provinces part of which are exported, and we have not been able to hold that price at the level which was established earlier, with the result that there is a possibility that the government may have to take some loss in connection with potatoes this year.

In fairness I wish to point that out—and I could quote further if the Minister of Agriculture wishes—to express our appreciation of the potato growers of the maritime provinces generally, and of my province in particular. Perhaps I should not say that I speak for the other maritime provinces, because they may not agree with me in this; but I do appreciate the effort which has been made by the federal government to stabilize the price of potatoes.

I cite these figures, not to be unnecessarily critical of the minister or of any other individual, but to try to bring to the attention of the public the fact that agriculture is not in a healthy condition in my province. I would like every citizen in this country to realize the seriousness of the situation, when agriculture is not healthy in every part of the country. This is particularly true of Prince Edward Island because we depend almost entirely on agriculture for our income. Of course we do have considerable income from the fishing industry as well as from the tourist industry; but those three combined are about the total. We have nothing to fall back upon worth speaking about.

Therefore when our agricultural industry is not prosperous it has a very depressing effect on our whole economy down in that province. The result is that debt increases; and it is a fact that the farmers in my province are continually going out of business. As farmers who have farmed all their lives reach the age of retirement, in many cases their farms are not turned over to the young men, or are not operated even by neighbouring farmers. They just become abandoned land.

**Mr. Kirk (Antigonish-Guysborough):** They were leaving the farms in good times, not only in your province but in Ontario as well. In good times they have been leaving the farms and going into industry.

**Mr. MacLean:** That is true; it is a general situation.

**Mr. Kirk (Antigonish-Guysborough):** And it is not any worse in the maritimes than elsewhere.

**Mr. MacLean:** I am not suggesting that it is. I am only saying the situation does exist in the maritimes, and in my province in particular. I think it is unfortunate because, as farms become abandoned, they place heavier carrying charges on the remaining operators, especially in connection with community facilities such as power, telephones, schools, churches and the like. I do not think there can be a healthy agricultural community made up of patches of large farms with abandoned areas in between.

It has been said that the farmers have been gouging the consumer for food, and the consumer is paying an unnecessarily high price for his food. It is said that the cost of living is going up unnecessarily, and that this is partly due to increased food costs. My contention is that the agricultural industry has made itself more efficient over

the last few years at a rate which cannot be matched in many other industries—indeed, if it can be matched in any others. The average farmer is producing more per acre and per man than ever before, and the Canadian people are buying food at a smaller expense, so far as the farmer is concerned, than they ever had before. But there are other factors. The costs of processing and distribution have gone up alarmingly. Part of that is due to the fact that people want their food processed and canned, and practically ready to eat, when they take it off the grocer's shelves, whereas a number of years ago they purchased their food more in the raw state, and had to do more preparation at home before it was ready to eat.

I should like to point out that when a person buys a meal in a restaurant or eats a meal at home which has been purchased at a grocery store, the farmer gets an extremely small slice of the total cost. The mounting costs of food are due to the costs of processing and distribution. These costs may be justified, but they should be explained. And it should be explained to the Canadian people that the high cost of food is not because of the price the farmer is getting for it—in many cases, at any rate.

This was brought home to me forcibly by a friend of mine who was an official in my province of the Department of Agriculture. He attended a conference here in Ottawa last year, and while travelling to Ottawa he and his wife went into the dining car to have dinner. He said, "I was faced with a dilemma because most people quote prices in dollars—and that is fair enough, of course—but we in Prince Edward Island have come to think of potatoes as our official medium of exchange. It is from potatoes we have to earn our living. So when we went into the dining car I was faced with the problem of whether to buy a fifteen-bushel meal for myself and my wife or a twenty-bushel meal. We settled for a fifteen-bushel meal and I gave the waiter a three-peck tip, when I left.

The point is that the Canadian consumer is getting excellent value for the amount of his money that gets through to the primary producer, and the primary producer is more efficient than he has ever been before. But he is squeezed between lower prices on the one hand and rising costs on the other. He has to be efficient to survive. Competition is keener in the agricultural industry than perhaps in any other industry in the country; and anyone who is not efficient just cannot compete. It is important that the Canadian consumer be made to realize that, and I think it would be advisable if advertising were done by the Department of Agriculture, and perhaps by the industry, or various segments of it, to make people realize the excellent value they are getting for their food dollar.

Perhaps because of high-pressure advertising Canadian people have been led to believe that they should get the necessities of life cheaply. This is especially true of food. They expect to get those necessities so cheaply that they can save enough money to buy the luxuries that are pushed at them through high-pressure advertising in the press, and over the radio and television. Canadians will pay 35 cents or more for a quart of beer, but they will complain if the price of a quart of milk increases from 21 cents to 22 cents. And so it is, all down the line. The Canadian people should be disabused of this notion they have that the high cost of food is owing to the farmer gouging. That is not so. The Canadian farmer is more efficient than he has ever been before. He is more efficient than his opposite number in almost any industry. I would say to the Canadian people that when they complain about the high cost of food they should analyse the cost and see what causes it, and not jump to the conclusion that it is the farmer who is getting the benefit, because it is not always so. I do not think the farmer is getting his fair share of the benefits that come from his produce.

In that connection I should like to recommend to the Canadian people a brief quotation from Artemus Ward, and also to other people who read statistics and are exposed to them from time to time. He said:

> It ain't so much the things we don't know that get us in trouble. It's the things we know that ain't so.

**Mr. Herridge:** We have had a very thorough discussion in this house on the wheat marketing problem. While I recognize the importance of a satisfactory solution to that problem, and sympathize with the growers of wheat, I want to take about five minutes to bring to the minister's attention the particular problems that face the fruit growers of the interior of British Columbia.

I am quite sure the minister cannot complain about the amount of talking that has been done on behalf of the fruit growers during this session.

**An hon. Member:** Or elsewhere.

**Mr. Herridge:** Or elsewhere; quite correct. I think they are quite modest in the representations through their organizations, and the members representing fruit growing constituencies confine their remarks to the necessary comments.

I particularly wish to bring to the minister's attention the fact that the fruit growers of

British Columbia, as a result of organization, and particularly good leadership, have done all they can within the limitations of present legislation, provincial and federal, to help themselves. This has been their policy all along. They believe in self-help, in doing all they can for themselves, and I am sure the minister will agree with that statement. I want to mention, particularly, the leadership at this time. We have been most fortunate in British Columbia in the leadership of the fruit growers organizations. At the present time we have Mr. Garrish, president of the British Columbia Fruit Growers' Association, who as a grower has had a long experience in production and wide knowledge of fruit marketing problems; Mr. A. K. Loyd, chairman of Tree Fruits Limited, is a grower of long experience, with very extensive knowledge also of domestic and international marketing problems so far as fruit is concerned. Then we have Mr. L. R. Stevens, secretary-manager of the Okanagan Federated Shippers. He has a particular knowledge of marketing and also a particular knowledge of the application of dumping duties, particularly with respect to the soft fruits and their effect upon the growers' income in British Columbia. The growers of British Columbia want the government to do what they can to help them to help themselves in two particular respects at this time.

I should like to bring to the attention of the minister the fact that the British Columbia fruit growers operate in the farthest north section of this continent for apple and soft fruit production on a commercial scale. In fact, British Columbia is between 400 miles and 500 miles north of the centre of the United States soft fruit producing area. That presents a particular problem for the soft fruit producers of British Columbia. This means that weeks before British Columbia fruits and vegetables appear on the Canadian market the California product is being shipped into the western Canada markets and providing the Canadian consumers with an opportunity to do their canning often quite early in the summer. I maintain, the growers maintain and their leaders maintain that for this reason alone British Columbia fruit growers believe they are entitled to particular and careful consideration in the application of dumping duties; that is the day to day situation must be watched very carefully. I see I have the support of the hon. member for Kootenay East in this respect.

They do not believe in the government permitting unfair competition when Canadian crops are in good supply. That is all they are asking for. The government should watch this dumping situation very closely and see that dumping duties are applied in a flexible way in the interests of the British Columbia fruit growers when Canadian production is in good supply. Sixty per cent of Canada's imports of fruit and vegetables come in duty free; so U. S. producers have a fair situation in that regard as far as the quantity admitted from the United States is concerned. Potatoes are free for forty-six weeks of the year, and then pay a duty of $7.50 a ton for the rest of the year. On the other hand, the United States have a tariff of $7.50 the year round against potato imports, and if the quota of table potatoes is over 1 million bushels, I am informed that the tariff is then raised to $15. I think we have been particularly fair in this respect.

I want also to bring to the attention of the minister another fact to illustrate how the growers of British Columbia have tried to help themselves. It may interest the members of the committee to know that the fruit industry in British Columbia was the only section of agriculture in Canada which, prior to the Geneva conference on trade and tariffs, got Canadian and United States interests together and decided on a course of marketing action to the advantage of the growers of both countries. As the result of consultation, common sense and a degree of compromise in that regard, I am informed there was agreement to ship a certain quantity and variety of apples particularly to eastern markets. That is a trend that should be developed. This action is an excellent demonstration of what can be done, when producing groups on both sides of the line get together and face their common problems.

In addition to urging very careful consideration of the necessity for the application of flexible dumping duties at the right time, the fruit growers of British Columbia want the government to give particular attention to taking every advantage of every opportunity to get our fruit into the United Kingdom market again. While they appreciate the difficulties of the United Kingdom government, the increase of apple production in the United Kingdom, and the fact that the growing of certain varieties that we have been in the habit of growing in previous years, has affected the British Columbia growers market. We urge the minister to do all he can to secure a market in the United Kingdom for even a few million boxes of apples. The recapture of a portion of the United Kingdom market would have a most beneficial effect upon the tree fruit industry in British Columbia and I understand the maritimes. We grow certain varieties of apples in British Columbia to

better advantage than they can be grown anywhere else on the North American continent. The Cox Orange is grown better in British Columbia than anywhere else on the North American continent, because of certain climatic conditions. We also have other varieties, Newtown pippins and other varieties of that type, that are popular in Great Britain that we grow to particular advantage. On behalf of the growers organizations I do urge the minister and his officials to do everything they can to recapture some of the market for Canadian apples in Great Britain.

**Mr. Hahn:** Mr. Chairman, this question of the importation of potatoes has, I am fully aware, been discussed by me in the throne speech when I first raised the question and later on when I asked questions about it. In view of the fact that recent representations have been sent to the Minister of Agriculture and others I feel that I must heartily endorse what the hon. member who has just spoken said. While I do not find myself too often on the same side as the hon. member for Kootenay East, I see that we are in agreement on this question at least. We must try to give a certain measure of protection to this industry if it is going to continue.

At this particular time I should like to draw a note to the attention of the minister that appeared in the *Country Guide* of April, 1954, of a different tenor. It is not too amusing when one considers its far-reaching implications. The heading is, "The Disguised Potato". The article says in part:

> Capping it all is the "Case of the Disguised Potato", which is causing agricultural sleuths a good deal of concern on the local markets. United States shippers have been trying to pull a fast one on British Columbia housewives by offering an "early, red-skinned" potato that showed a remarkable talent for sprouting when displayed on the stands. Investigation revealed them to be old-crop, white-skinned potatoes which had been dyed red and then waxed to give that new-potato look. Potatoes with make-up! Shades of Max Factor—what won't they think of next!

Well, they certainly have the new look if they are red. You can understand the feelings of many British Columbia housewives who thought they were buying new potatoes and discovered they had bought potatoes with make-up. I think that potatoes should not be allowed to come in in disguise, and certainly they should not appear in that condition on the market and be sold to housewives as new potatoes.

As regards the other matter of importation duty, I would strongly urge the minister to discuss with the Minister of National Revenue the desirability of trying to get the act changed in time for next session because I am sure such a change would meet with universal approval, and certainly we would support it. That change should embody a more elastic provision. Such tariff should come into force when the second early potatoes come in from the United States. This would certainly seem to remedy the difficulty. Our British Columbia early potato growers have their potatoes arriving on the market when the second earlies from the United States come on our market, with the result that the United States first earlies are put on the British Columbia market at a dumping price. Unfortunately, that dumping price is not one that can be considered as such because the United States has dropped the price on their home market, and therefore this does not come within the dumping regulations. Other potatoes are not yet on sale, and having been stored they have that greenish look. The result is that when they are put on the market they merely cut down the price to which the British Columbia grower is legitimately entitled for his first early potatoes and he is placed in the unfair position of having to compete with the United States product.

Now, another product which comes in under a similar category is the turkey. We believe that the turkey raisers have a legitimate complaint and we think they should have some further protection on the turkey market. We find that the consumption of United States turkeys in Canada has increased considerably because our industry is not getting the form of protection to which it feels it is entitled. One might ask why United States turkeys are being permitted into this country and how the United States turkey producers can raise and sell them so much more cheaply if the price of feed and other grain is the same as it is in Canada. The reason for it is that in the state of Oregon, for example, the banks own a large number of these ranches by way of loan and they force the turkey raisers to sell their turkeys and flood the market from time to time by giving notice that they intend to recall their loan, with the result that these producers have to sell their turkeys in the nearest market which is accessible, and that happens to be the Canadian market. In certain areas we find our own markets being flooded with birds being dumped from across the border, although they cost the United States consumers the same price; and that is where our difficulty originates. The effect of that is felt by the grain growers of Canada. They probably have not thought of this angle, though I think it is worth considering.

Last year about 250,000 United States birds were sent into Canada. The consumption of that number of birds would indirectly affect the use of five million bushels of feed grain.

Now, five million bushels of wheat and other grains is not a tremendous amount out of our colossal surplus of 700 million bushels, and I quite realize that, but at the same time every five million bushels helps and we know that these imported birds consume that amount of grain.

I hope the minister will use his influence with the Minister of National Revenue and the Minister of Finance, in considering the problem of potatoes and turkeys, to see whether we cannot have a greater amount of protection for the British Columbia industry.

**Mr. Gardiner:** Mr. Chairman, on a point of order: I do not wish to interfere with the desire of hon. members to express themselves at this stage, but of the last two speeches one has dealt with fruit and the other with potatoes and turkeys, and I think it would be better if we could withhold the discussion on these matters until we come to the items covering them. I know it has always been customary to allow a general discussion on the condition of agriculture, but when it comes to dealing with such things as the sale of turkeys and fruit I think we should reserve that until we come to the item dealing with them so that I can give whatever information is available and deal with questions in a manner which would be helpful. I am suggesting that, and I hope hon. members who have something to say about a particular item will reserve their remarks until that item is called.

**Mr. Byrne:** Mr. Chairman, I wonder if the subject of wheat would be relevant to this discussion. My name has been mentioned by the last two hon. members who have spoken and they have indicated that they support me, perhaps more than I support them, in the matter of dumping duties and tariffs on soft fruits and vegetables at this time of the year. I want to say that I certainly support the plea for protection on behalf of our growers who supply fresh fruit and early vegetables, not only because a tariff is necessary to protect them at this time but because I know that their products are of superior quality when they reach the market. A large number of people are inveigled into buying products that are old and somewhat withered although they might appear to be new vegetables.

On the other hand, just yesterday I received a telegram from a hospital society in my riding which wanted to know why a duty was put on new potatoes at this time while they were unable to obtain that product on the local market or from British Columbia producers. I took this matter up and I understand it is an automatic impost having regard to the fact that there are fluctuations in the seasons, and for that reason it is statutory and also prevents the suppliers from stocking up and selling at a later date as fresh vegetables the products which have been harvested some time before.

**Mr. Hahn:** Would the hon. member permit a question? Would he be in favour of my proposal that the government refrain from imposing this duty until United States secondaries come in? That, to my mind, would assure that Canadian first earlies would be available for this hospital.

**Mr. Byrne:** I think that is probably a reasonable suggestion. As I said, my riding is so diversified that it is difficult to know just what is going to work in the best interest of the entire area. It might be interesting just at this point to tell you that last fall I was asked by the miners' union to journey to St. Louis, Missouri, to speak on the resolution that was being presented to the government of the United States asking that they do not introduce any further tariffs on lead and zinc. I gladly took that opportunity and I know that the resolution passed unanimously. I therefore cannot come out too strongly—after that decision which I think was the right one—and ask that impositions be put on materials and foodstuffs that the working people are required to purchase. However, I think there is a happy medium that we can reach. I think the farmer and the industrial worker must appraise their various situations and see that one does nothing that is going to injure the other. It is for that reason that I am on my feet on this occasion.

In the past few days, Mr. Chairman, we have had a great deal of discussion during which the opposition, and more particularly the C.C.F. opposition, have asked us to put a floor price on wheat. Such a floor price, in effect, at some stage or other would mean a subsidy. Reference has been made to a $65 million payment which was made by this parliament some years ago and which I voted to grant. While no one admits that it was a subsidy, however we may look at it, in effect it was a grant in lieu of certain payments which the farmers felt should have been made. They maintain that their price was stabilized at a certain given period and that they could have received a higher price if it had not been stabilized. But of course those who speak only for the farmers neglect to remind the House of Commons that for many years industrial wages were stabilized and that the prices of industrial products were stabilized. For instance, in the particular industry in which I work, all during the war

there was one set price. Almost at the opening of the war a price was set. The product remained at that price throughout the war and the wages of the people working in that industry remained almost static. It is for this reason that I say we want to work together and that no one should do or say anything that is going to injure the other.

On December 2 of last year I took exception to a statement that had been made by the hon. member for Humboldt-Melfort. I regret that he is not in his seat at the moment. However, we cannot pick and choose our time for making these replies but must make them as the opportunity presents itself at any given time. I took exception to the statement that he made with regard to the price of fertilizer. I think I can relate this question of fertilizer closely to the price and the cost of production of this extremely important product that we have been discussing for the past few days, namely, wheat. As with any other product, if you raise 20 bushels to the acre it costs you a certain figure, having regard to the cost of the seed, the wear and tear on machinery, the over-all cost of the land itself and of harvesting. It costs almost as much to raise 20 bushels as it does to raise 40 bushels. That fact has been brought out in the house, I think. I know that on a recent trip to the west I visited in southern Alberta and discussed this matter with some farmers. They said that the crops they have had during the last three years have not cost them nearly as much to produce —that is, per bushel—as did the crops during the previous ten years. They therefore could conceive of receiving a lower price without there being any such catastrophe as has been indicated here, or without any disastrous effect on their economy as a result of receiving a slightly lower price. When I say this I am going to give some advice, perhaps. Even if I had not had some experience in the growing of wheat, I would consider myself qualified to do so after sitting here for the last five years and hearing the discussions, which are many, with regard to this question.

The hon. member for Humboldt-Melfort indicated that the fertilizer industry was gouging the farmers.

**Mr. McCullough (Moose Mountain):** Hear, hear.

**Mr. Byrne:** He indicated that the cost of fertilizer was almost double or three times what it was in relation to wheat in 1939. The hon. member says "hear, hear".

**An hon. Member:** There, there.

**Mr. Byrne:** The hon. member for Humboldt-Melfort said that the figure I gave of 100,000 tons of fertilizer being used on the prairie provinces in 1953 gave an increased production of 35 million bushels was incorrect. The hon. member maintained that the most this could amount to would be 15 million bushels. Incidentally, he said that these figures are from the dominion bureau of statistics and cannot be denied. My purpose in rising today then is to deny that very statement he has made.

One hundred thousand tons of fertilizer will fertilize about 5 million acres, at the recommended amount of 40 pounds to the acre. With the hon. member's figure of 15 million bushels, this would amount to an average increase of about 3 bushels to the acre, or less, having regard to the amount applied in different areas. It would be extremely difficult for a sales manager of a fertilizer company to convince the farmer that this increase would be of very great assistance to him.

The hon. member stated that these were figures from the dominion bureau of statistics, taken, of course, from the experiments of the federal experimental farms. I do not know how the figures became so twisted but it is possible that the plots used by the dominion experimental farm would be areas that have been from time to time built up—that is, the soil itself would be built up—to such a condition, because of crop rotation and so forth, that the introduction of fertilizer would not have a great effect. I have here a report of the Dominion of Canada information service, No. E-97, on the subject of fertilizers for northeastern Saskatchewan. The report was released on March 22, 1954, and reads in part as follows:

> Ammonium phosphate 11-48-0 has been applied to cereal crops grown on summer fallow at the experimental station at Melfort for the past 14 years. Agronomist B. K. McDonald says a summary of these results on Melfort silty clay soil for wheat has shown an average yield increase of 6·0 bushels per acre for wheat, 12·5 bushels for barley and 8·2 bushels for oats when the 40 pound rate of 11-48-0 was used. These yield increases have given net returns of $5.50 per acre for wheat, $6 for barley and $2 for oats.

Now an hon. member stated that these statistics cannot be denied. I wonder if he would take the word of the University of Saskatchewan and accept the results they give in a table I have here with respect to the use of a similar type of fertilizer. This circular was issued by the department of soils, Saskatoon, Saskatchewan, in February, 1952. A rate of application of 25 pounds per acre in 1941, a dry year, produced a result of 2·8, and in 1942, a moist year, a result of 11·3. The average from 1939 to 1943 was 7·9 bushels. That of course is for wheat.

**Mr. Nicholson:** Would the hon. member indicate where that test was made?

**Mr. Byrne:** If you will allow me, I will finish this table first. A rate of application of 50 pounds per acre showed an increase of 4·5 bushels in 1941, a dry year, 13·4 bushels in 1942, a moist year, and from 1939 to 1943 the average was 10·2 bushels per acre. These tests were made in various areas throughout Saskatchewan. They were not in any one particular plot.

**Mr. Nicholson:** The first one was at Melfort. Would you indicate where the second one was?

**Mr. Byrne:** There are several distinct areas. But I have figures showing an even better yield from other areas. This is on summer-fallow in Saskatchewan in the dark brown area. I am sure the hon. member knows more about the areas of Saskatchewan than I do. I know one of course very well, Maple Creek, the area from which the hon. member for Swift Current-Maple Creek comes. Perhaps some would attack the use of fertilizers for large crops there in a very dry and sandy soil. However, the hon. member knows the areas better than I do. In the dark brown soil zone 71 tests made with a 20-pound application produced an increase of 4 bushels per acre, and with a 40-pound application 5·5 bushels per acre. In the black soil zone 83 tests showed an increase of 5·2 bushels with a 20-pound application and an increase of 7·2 bushels with a 40-pound application. There is another area called the degraded black and grey soil zone. With a 20-pound application there was an increase of 4 bushels per acre and with a 40-pound application an increase of 6·2 bushels.

**Mr. Cardiff:** Forty pounds to the acre?

**Mr. Byrne:** Forty pounds to the acre. In saying this I want it to be understood that I want to co-operate in every way to assist the farmers. There are a large number of farmers in my own riding. But I do think that the facts should be kept straight. In that way we can assist one another. If the fertilizer industry continues to expand, as I hope it will—and I see no reason why it should not—if the farmers are acquainted with the facts and are desirous of raising the largest amount of grain or other products they can on the smallest acreage, then they will be able to do so by making use of fertilizer.

I am sure the house would be interested to know something about the situation in Kimberley where this fertilizer is made. At the present time one unit is supplying the market, but there is a potential market on the prairies four times what we have now. This one unit leaves a residue, from the processing of iron sulphides, of about 200 tons of pig iron daily when it reduces the iron tailings from the Sullivan mine to produce sulphuric acid for the production of fertilizer. I had the interesting experience of visiting the laboratory of the Department of Mines and Technical Surveys the other day and I saw steel being made out of this pig iron. On a second trip I saw the steel being rolled out, and from all appearances it is going to be the finest of steel. Of course that requires a good deal of experimentation, but it is hoped that we will be able to make steel of the very finest grade.

We hope to expand the industry and by so doing we will be able to pay more taxes and provide more jobs. If a subsidy should become necessary for certain farm products we will certainly be glad to pay it, but I say: Live and let live. The hon. member for Humboldt-Melfort also said when he was home at Christmas his neighbours were pledging themselves by way of a petition to refuse to buy fertilizer. I do not know whether or not the hon. member signed the petition. I suppose it was a bit unfair to delve into this matter further, but the hon. member said that he had delved into my figures so I took the opportunity to examine his. I find that despite the fact that such a petition was circulated in that area asking the farmers not to buy fertilizer, a syndicate known as Cariboo Farms, and I believe owned by Bryson Brothers, took delivery of 11 tons of fertilizer this spring. If the hon. member encouraged other farmers to sign the petition and signed it himself he nevertheless did not see fit to abstain from buying this material, which apparently gives pretty fair results.

There is another matter that I should like to discuss at this time, the question of the extension of the P.F.R.A. into the province of British Columbia. The Prairie Farm Rehabilitation Act, as the name implies, provides assistance only in the prairie provinces. Now, British Columbia's population is rapidly expanding, and we hope it will continue to do so. We have some extremely arid areas in the province. Recently, of course, as on the prairie provinces, there has been sufficient rain to grow hay crops and so on, but the rainfall is not dependable. I feel that in order to supply this ever-expanding population we should have this very fertile soil under irrigation. We have other areas also, of course, that are in need of reclamation. I see no reason why, now that we have these very large wheat surpluses, we should not look towards the development of other crops. Certainly in British Columbia, where we

have a much longer growing season, we could undertake more diversified crops. There is no argument against giving assistance, as has been done on the prairies. I am looking forward to having the Prairie Farm Rehabilitation Act changed at an early date to omit the word "prairie" and make it just the farm rehabilitation act.

**Mr. Nicholson:** I wonder whether the minister could indicate if he has reports concerning the flood damage in northeastern Saskatchewan during recent weeks, and if so the extent of the damage done? My information is that seeding was delayed for a very long time, and that flood damage has been very serious over quite an extended area. I would appreciate it if he could make some statement as to the extent of the damage, and whether any benefits might be available to the people in the area under federal legislation?

**Mr. Gardiner:** Going back to what I said a few moments ago, I will be in a position to do that when we get to the item covering it, but not on this general item.

**Mr. Nicholson:** The other matter I was going to raise concerns policy, and I think perhaps this would be the appropriate time to take a minute to do so. I do not plan on reopening the wheat debate. An editorial in the *Leader-Post* the other day suggested that wheat production is still profitable at the prevailing price, and what is more, farmers could augment their returns from feed grains by feeding livestock and selling them on the hoof instead of selling the grain. I am sure the western farmers will appreciate that free advice, as will eastern farmers.

However, if that advice is to be taken seriously, the minister should give some indication that the government is prepared to stand by somewhere along the line. The *Leader-Post* also mentioned that the request made here in parliament would entail an average annual handout of probably $50 million per year to the Canadian wheat producers.

**Mr. Gardiner:** I think if we are ever going to get through with this discussion we have to have some rules. The marketing of wheat does not come under this department at all. It has been discussed now for several days and I do not think we should discuss it again on the estimates of this department because this department does not handle the marketing of wheat.

**Mr. Nicholson:** No, I am aware of that. I am saying that if farmers have to go into livestock, the government should indicate that livestock prices are not going to go down the way they did during the thirties. I may say that during my sojourn on the farm I acted on some advice the minister gave from time to time that it would be a good idea to sell some of the damp and tough grain back in 1951 as livestock. We therefore bought from one of our neighbours his herd of cattle, and we have had the company of those cattle now for three years. I was just checking the prices listed by the bureau of statistics the other day, and I find that the price in November, 1951, for medium cows was $23.07, and in this year it is $11.56; for yearlings, common, $13.50 now and in 1951, $29.46.

The point I am making is that if our neighbour would like to have those cattle back now we could give him two head for every one we got from him, and we would not charge him anything for the feed or for the company of the cattle during that period. If he should buy them back and keep them for another two or three years, I wonder if at the end of that time he would need to sell us twice as many as he is getting. We have had very good luck with cattle, but I think the government should indicate at some point whether or not they are going to give some protection to farmers in all parts of Canada. If there is not going to be a floor for grain a very large number of farmers are going to be obliged to go into livestock. It is quite possible there may be a further drop in the price of livestock. Could the minister indicate, even if he is not prepared to give some assurance, that if a large volume of this grain goes into cattle or pigs the bottom will not drop out of the cattle market altogether?

**Mr. Fulton:** I just wanted to say a word or two of a general nature on this matter. Perhaps the point at which the hon. member for Mackenzie stopped is as good a one as any for me to start, because I intended to ask the minister if, during the course of his estimates, he would say a word about departmental policy with respect to livestock marketing. The figures given by the hon. member for Mackenzie give an indication of the general experience across the whole of the country. They vary a little from market to market and they may not be necessarily in accordance with the present price in Vancouver, where our livestock is marketed in the main, but they indicate the experience we have been having in British Columbia. Our experience has been that during the last two years cattle prices have been halved; actually, it is a decline of 100 per cent although it depends upon which end you start from. Some might say it is 50 per cent decline.

Inasmuch as farmers' costs have not come down—at least, I have not any accurate

figures to show whether they have gone up or remained stationary, but by and large I think it would be correct to say they are the same, if not higher than they were two years ago. It will be seen that the substantial decline in price represents a serious problem to the livestock producers of British Columbia. They would like to hear from the minister some forecast of the government's policy with respect to livestock marketing.

Unfortunately, I am not able at this time to discuss the problem with respect to grading, as I should like to do, but I suggest there are certain weaknesses in the grading system. These weaknesses result in a very large spread between the returns to the farmers for the cattle in comparison with what the packers get for the different grades themselves. I have on the order paper a resolution which precludes me from going into detail on that matter at this time, although I hope next year to follow up that resolution and have a discussion of the problem. Perhaps the minister might say a word or two on that subject when he deals with the general one, as I hope he will, of the government's policy with regard to the marketing of livestock.

I should like to say just a word or two in support of what was said by the hon. member for New Westminster in connection with the potato situation. I will keep my remarks quite general; but I think it is proper to make them here because this is a problem requiring co-operation between this department and the Department of National Revenue.

In the constituency I represent, the potato growers operate under two different marketing boards, depending upon where they are. But, by and large, in the Kamloops and Ashcroft districts they operate under the interior vegetable board, whereas in the Pemberton district, with which the minister is particularly familiar they operate under the coast vegetable marketing board. But the problems of marketing and the difficulties with which they are confronted, as a result of the importation of American potatoes, are very much the same.

When I was down at Pemberton last summer they told me it was a great pity that the benefits which it had been expected would be derived from the extensive and generally successful reclamation works carried on by the Department of Agriculture under the Prairie Farm Rehabilitation Act administration were not being realized because of the difficulties they were having in marketing their potatoes.

The solution seems largely to lie in an intelligent and flexible application of the seasonal duties against the importation of American potatoes. I suggest a fixed seasonal duty is not of much value in assisting our growers because of the difference from season to season in the period during which potatoes come on the market. From year to year the season varies, and the time at which our potatoes come on would be as early in some cases as July or the end of June, whereas in other years they would not come on until well into July, or perhaps August. I do not know whether my dates are exactly correct, but I mention these dates to point out the variation in the dates in which potatoes are offered as between one part of the riding and another.

If a protective seasonal duty is fixed absolutely it will not take account of seasonal climatic variations between one year and another. I would therefore ask the Minister of Agriculture if he would bring the influence of his department to bear on the Department of National Revenue so as to have the application of that protective measure made more flexible.

My understanding is that at the present time it is fixed by statute and, as such, it is not of much benefit to us. I do not think it would have any adverse effect either on consumers or on American producers if it were made more flexible. It would simply enable the growers to take account of seasonal variations from year to year.

I have had telegrams—and I am sure other hon. members on both sides of the house in all parties, including the minister have also had them—indicating that this year, because of the lateness of the season, the protection fixed by statute coming into effect on certain fixed dates is not going to be of any assistance to them. I am hoping therefore that we might be able to persuade the government to amend the act so as to provide for a flexible period, but at no higher rates. We are not asking for higher rates; we are asking only that the season during which these rates are applicable be made more flexible. I would hope the minister would give some indication as to whether his department can make any progress with the Department of National Revenue along these lines. I hope he will be able to say something which will reassure the producers of livestock who, in my section of the country at any rate, are very much concerned as a result of the decline in prices—a decline which has not been accompanied by a corresponding decline in their costs of production.

**Mr. Gardiner:** Mr. Chairman, I think I should say just a word on this matter of potatoes. A resolution did come in about a week ago from British Columbia—I do not

remember the exact date—suggesting that the dates, which now stand at June 15 to August 1, should be changed to July 1 to August 15. I have had that matter submitted to our officials and have asked them to take it up with other departments to see what can be done about it.

I am somewhat surprised to hear that these things are set by statute, because such matters are submitted to me from time to time for my opinion. If they are controlled by statute I do not see how my opinion could have much effect.

However, I shall look into the matter. We now have it under consideration, and we will see what can be done about it.

**Mr. Nesbitt:** Mr. Chairman, I should like to make a few remarks at this time regarding the value of extended research in the agricultural industry. As most of us know, agriculture is still the backbone of our Canadian economy, and this economy to a very large extent is dependent upon the farmer as the greatest consumer of the products of industrial labour.

It certainly follows that any reduction in farm income will be felt by way of reduced incomes of people living in cities and towns. Figures offered by hon. members have shown that farm income has been reduced in the east by approximately 35 per cent and in the west by about 15 per cent in the last several years. This would seem to be an average reduction of income of about 25 per cent.

Cheap food and a high level of employment do not go together at all. Any depression, which nowadays, I believe, we call a recession, is always preceded—at least that has been so in the past—by a mounting surplus of agricultural products. This is well exemplified in Canada at the present time by the very large surplus of wheat and by a surplus of milk products.

I think we have to face these facts in order that we shall not repeat some of the mistakes we made in the past. At the present time, despite government statements to the contrary, there is little doubt that many of us would agree that Canada is at present still faced with a rather dangerous economic situation. I should like just for a few minutes to make a few remarks to indicate what has led up to this potentially dangerous economic situation—and I shall not describe it as a crisis. We can go back a little while to cost-plus government contracts, necessary as they may have been in the production of implements of war, and describe them as probably the greatest single factor in starting the long inflationary spiral of prices which brought about increased wages, increased costs, increased taxes and demands for subsidies.

I believe we would all agree that the current problem facing agriculture today could be solved if some way could be devised to get rid of the surpluses of farm products now piling up in Canada and—this is equally important—in the United States. It is quite true that international markets indicate a demand for farm products, but they also are faced with the problem of little or no money, with the result that farm surpluses both here and in the United States are simply not moving into the markets where they should be moving.

This problem was recognized a few years ago when it was suggested that a fund be established under the United Nations to provide for the distribution of surplus agricultural production, under the United Nations, to countries where these products were needed. This was then and certainly is today a very good idea. But unfortunately it is one which it is very difficult to implement. As a result, nothing has been done about it. I have heard people argue this point—and I suppose it can be argued in the present instance—that there has never been a true surplus of farm products in the world because there have always been people without enough food. But the fact remains that huge surpluses are now piling up on this continent, and are having a disastrous effect upon our economy—and will have an even more disastrous effect in the future.

The basic problem is not only whether other nations want or need our food or whether or not our farmers can produce it—they certainly can—but whether or not people in those other countries can pay for it and pay for it in some form of currency that we can use. It is this problem which has had such a devastating effect upon our most stable export markets in the past and which I am sure is evidenced by the record of our lost markets in the United Kingdom. Here in Canada our comparatively small population, combined with the high fertility of our soil, gives us a very heavy dependence on export markets. We have found by experience many times in our short history that one of the major problems in building dependable export markets for foodstuffs is the ease with which most importer countries can either do without, buy elsewhere, or themselves increase their domestic food production.

Take as an example our market for agricultural products in the United Kingdom. For years Canadian farmers were the largest

exporters of food products into the British markets, selling as they did the big proportion of their imports of oats, wheat, wheat flour, bacon, cheese, condensed milk, apples, salmon, lumber and many other products. From supplying 96 per cent of their total imports of oats, 27 per cent of their total imports of beans, 43 per cent of their total imports of beef and 83 per cent of their total imports of bacon, today we sell hardly any of these products and the volume of our exports has also been seriously reduced.

True, it made good economic sense for Canada to produce large quantities of a variety of food products to supply the British market, but the bald fact is that economic considerations of national importance to the United Kingdom have made it difficult for them to buy from us and pay for it in currency we could use; in other words, it is the sterling problem which has been mentioned so often in this house. Nor could we as a nation, much as we desire to help other countries and especially the United Kingdom, be expected continually to give away our products whether by direct gifts of money or as produce. The economic realities of this fact were clearly expressed by both countries, the United States and the United Kingdom, as one of trade, not aid.

Our experience in selling farm products in the British market conclusively proves another problem confronting agriculture and that is that, for many reasons, economic considerations do not have the same practical effect on the international trade in foodstuffs as they do on trade in other materials. We find that barter deals, bulk buying, price supports and other devices really do not give any assurance of stability of markets for the producer.

As we lost the British market for our primary producers, we were able during and after the war to find export outlets in the United States, and this was also accompanied by a highly speeded-up increase in home consumption. High levels of employment in Canada resulted in greater demand at home for the produce of our farms. This, coupled with the increased exports to the United States, meant that for a while the full impact of the loss of British markets was not felt.

Today, however, we are confronted with the unpleasant fact that these alternative markets are rapidly dwindling. High costs of production in Canada, due to high taxes, higher wage levels than in countries competing with Canadian textile industry and others, such as Japan, Belgium, Germany and so on, have made it increasingly difficult to sell our manufactured goods both abroad and at home. The Minister of Labour has not given out the most recent figures of those seeking jobs, but the ones that were available a month ago indicated that there were over half a million persons still seeking jobs in Canada, which is a much higher number than those seeking jobs in other years, not to mention those on short work weeks, which has reduced the earning power for the industrial worker and has accordingly seriously reduced his ability to buy not only manufactured goods but farm products as well. Here is a very important fact, and I think it ties in particularly with the Canadian situation.

Increasing surpluses in the United States, arising in part at least from the fact that they too have lost export markets abroad, have resulted in embargoes being placed against imports of agricultural products from Canada. Our alternative market for dairy products formerly sold in the United Kingdom was shut out by the United States embargo against their import. This was later followed by our government's voluntary agreement with the United States to restrict our export of oats to that country until October, 1954, when the situation will be reviewed.

Like Canada, the United States today is confronted with a tremendous surplus of primary products for which there appears no immediate export market. It is expected that at the end of this crop year the United States government will be holding in storage approximately $5,500,000,000 worth of surplus produce purchased by the government but at present without demand in any export markets able to pay prevailing prices for their purchases. I understand that in the United States of course they have schemes for subsidizing exports to help matters at home, but I do not think that has any particular effect on the basic principle and the basic danger involved. Indications point to a desire by the government of the United States to distribute some of these huge surpluses to other countries under its system of aid to combat communist aggression. We have seen examples of that in the past. This of course increases the difficulty of selling our farm products abroad because if countries can get food for nothing, why pay for it? While it is not conceivable that such a policy would be followed as an accepted policy of dumping, the fact remains that whatever action is taken along this line will be adversely felt in Canada.

We are also confronted with the problem of surpluses rapidly accumulating. We have not yet sold one bushel of last year's wheat crop. If the minister is able to make some comment on that later, certainly we shall welcome it. This is only one product surplus in the United States. In addition to

that we are apparently now being faced with the possibility at least of a price war on the international wheat market, which we have heard so much about in the last few days. The question is, what will happen to the export markets we are now supplying? Can these nations be expected to buy from us at prevailing prices if the same or substitute products can be secured for less money or, as mentioned before, for no money at all elsewhere?

If we take the long-term view on a suggested solution to the problem of markets for our agricultural products, it seems to me wise for us to start and consider now how, with the exception of wheat, and possibly a few other products, the output of our agricultural industry can be largely consumed at home.

True, over the years the population of Canada will increase and steps are being taken along that line now. But what we are interested in at the moment is not something that is going to take place ten years, twenty years, thirty years or forty years from now, but something that will take place shortly. It is true that our population may be 40 million people fifty years from now, but that is not going to answer the questions confronting us at the moment. We should direct our attention now to the possibilities ahead in the field of speeded-up research to find industrial uses for Canadian agricultural products. During the last ten years we have experienced a tremendous increase of industrialization in Canada. The demand for raw materials for industry has increased to a point that would not have been imagined ten years ago. Most of these raw materials came, of course, originally from the soil. It is quite true that climatic conditions in this country prevent many of these raw materials from ever being produced in Canada. Nevertheless, the fact remains that that quantity of raw materials needed by industry could be produced by the primary producers of this country if the facts were properly made known to them. In other words, some of the land area of this country, now devoted to the production of food products, of which there is at present a surplus supply, could profitably be directed to the production of new and different crops for which available home markets do or could exist in Canada.

The reasoning behind this proposal is very simple. All over the earth man cultivates only about 1,500 species of plants. Botanists have already named over 300,000 species. In the United States, where great strides are being made to find industrial uses for agricultural productive capacity, the commercial agricultural production of that nation comes from fewer than 300 species of plants and by far the most of it from fewer than 30 species, notwithstanding the fact that there are over 15,000 kinds of plants native to North America north of the Gulf of Mexico.

It is quite understandable that in the past man cultivated only a few species of plants because until the last century man was pretty well limited by what he was able to handle and utilize. Today, however, engineering science has provided machines to do work previously considered impossible and chemists have given us the means to convert various kinds of plant material into useful commodities previously unknown. Examples of this are many and obvious. But, Mr. Chairman, I see my time is running short and I do not think I will take up the time of the committee to go into the long list of examples I have here. In this country no real effort has yet been extended towards any systematic examination of species of plants that will grow in this country to determine their inherent chemical composition and potential uses.

In industry today we do not need more production of those things we now have in surplus supply and for which there appears to be no immediate export market available. But we do need more effort expended to find out how much more of the raw materials used in industry we could and should produce on the farms of this country.

I believe that this question should become a matter of study and consideration by every farm organization in Canada. Certainly, speeded-up research at government levels to find out new and profitable uses for agricultural production should be provided at once. By such action the, shall I say, productive might of the agricultural economy of this country can be directed in the way of producing those things for which available markets exist in the immediate foreseeable future.

**Mr. Quelch:** Mr. Chairman, there are one or two questions I would like to ask related to a matter I brought up last Tuesday and which caused some discussion. I want the minister to settle the matter and I think this is the only item under which I can bring the matter up. It deals with the food and agriculture organization. The minister, when he spoke on Tuesday, made it clear that he thought I had gone out of my way to try to discredit or misrepresent him on this matter. I want to make it absolutely clear to the minister that he is quite wrong in this and that there was nothing further from my mind. I have always had a very high appreciation of the work the minister has done in the interests of western Canada. I have expressed that appreciation in the house

and also in the constituency which I represent. But that is not to say I am not to be allowed to criticize certain policies for which the minister is responsible, and I try to do that in a fair manner.

I want to say a few words regarding the point he raised. When I spoke last on this subject I pointed out that the minister had always supported the policies of Sir John Boyd Orr, and then I went on to point out the origin of the work the Canadian Federation of Agriculture had done, and the work the international federation of agricultural producers had done, and then I pointed out what had been done by the body of six experts appointed by the FAO council and that their proposals had nothing to do with Sir John Boyd Orr.

I then pointed out that the minister had opposed them and I said the minister voted against their proposals. That is where the minister challenged me and that is where some statements were made that had perhaps better not have been made. I thought I was being absolutely correct when I made that statement and I think I can prove I am correct.

**Mr. Gardiner:** What are you trying to prove as being correct? You quoted me as saying I had voted against it.

**Mr. Quelch:** Merely that I was not the one who induced the minister to make the statement he did. I quoted the minister as saying he had voted against the international commodity clearing house. The minister in his speech said he was wrong in making that statement; but I was hardly responsible for that, and I did not induce the minister to make that statement. What led me to say that the minister had voted against it was the statements made by the Minister of Agriculture on previous occasions. It is not the first time the minister has stated in this house that he voted against it. Right back to 1951 the minister has been making statements of that kind, and just to make absolutely clear to the minister what he has said I will quote part of his speech as reported at page 2086 of *Hansard* for December 17, 1951, when the matter was under discussion. I hope the minister is not going to criticize me for not quoting his entire speech. The minister made a rather long and rambling speech on that occasion, but I will just quote part of what he said regarding this matter:

> All Canada ever did in the matter was to say that it would be an impossible position for Canada to head a group of nations who would find it impossible to finance such a proposition, so Canada could not vote for something she could not possibly carry out. Canada voted against that.
>
> [Mr. Quelch.]

That is why I jumped to the conclusion I did, though the minister has now made it clear that no vote was taken; so I will not repeat the statement that the minister voted against it.

Since then I have had an opportunity of going into the report of the council and while it is clear that no vote was taken it is nevertheless clear that the proposal was rejected. The minister in his speech from which I just quoted did say that he voted against it.

**Mr. Gardiner:** I did not.

**Mr. Quelch:** His position at that time was that he was not going to be put in a position of supporting a proposal if that proposal was not going to be supported by the other nations, because if he did that Canada would be left holding the bag with the other nations refusing to support her. That may be a good reason. But, on the other hand, suppose the other nations had taken that attitude and said they were not going to support it because the other nations were not supporting it, and "we do not want to be left holding the bag". But that is not the reason given by the report of the conference.

**Mr. Gardiner:** May I just ask the hon. member to correct a statement he has just made. A moment ago he said he was not going to say any more that I voted against this, but in his second subsequent sentence he repeated the assertion again that I did vote against it.

**Mr. Quelch:** No, I am merely quoting the minister as to what he said at that time and as to why I said he voted against it. I am not saying now that he voted against it. I have quoted the reasons given by the minister three years ago and I took it from that that he voted against it because he said that Canada was not going to be left holding the bag.

**Mr. Gardiner:** Just check *Hansard* and you will find that what I said a moment ago is correct.

**Mr. Quelch:** That is not the reason given in the report of the conference.

**The Deputy Chairman:** Order. It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**Mr. Quelch:** Mr. Chairman, before the lunch recess I had been referring to the international commodity clearing house and the fact that when the food and agriculture

organization conference in 1949-50 rejected the proposal of an international commodity clearing house—and let me point out that, when I say that, I am quoting the exact words of the director general in his report for 1949-50—a committee on commodity problems was set up or was appointed. I was especially interested in an article in the March, 1954, issue of *Memo* which is an FAO publication. The heading is "Special Measures to Dispose of Farm Surpluses Suggested". I will just quote a short paragraph:

> The long-term solution to the problem of food and other farm surpluses lies in increased consumption through higher incomes and the increased demand that will result from the growth of population. A selective expansion of production and the adaptation of farm production to changing needs must also operate in the solution.
>
> In the short-term, however, there is great need for specific action to dispose of existing supplies and to prevent new surpluses from accumulating.
>
> This was the finding of the 8-nation working party on agricultural surpluses which met in Washington from February 23 to March 18 to explore all possible ways of dealing with the current surplus problem.
>
> The working party urged that governments give special consideration to these five methods of surplus disposal: . . .

Then it gives the five proposals, three of which are as follows: Sales on concessional terms for three different purposes; second, sales against importers' currencies, to be used for special purposes; and third, holdings, or segregation, of stocks. I suppose it could be argued that we have already put into practice some of these proposals. We are doing some of these things today. Especially interesting is proposal No. 2. I see the Minister of Trade and Commerce sitting there. He has already expressed, I would say, almost contempt for the suggestion that anything could be accomplished by accepting other nations' currencies in payment for our surpluses. But I see that this is a recommendation that has now been made by the eight nations, and I think that Canada is one of those nations to put forward this proposal. I am therefore interested in knowing whether or not the Canadian government endorses these proposals. Personally, I think they are fine suggestions.

It is interesting to note that the United States were putting into practice the second suggestion back in 1951 under the security act and that now, under the new proposal they are making, they are proposing to go a great deal further; that is, they are proposing to accept foreign currencies and to use them not merely for the purpose of building up nations' defences but for a wide variety of purposes. If the United States are prepared to sell their goods on that basis, it seems to me that it is going to put us in a difficult position if we refuse to do likewise. The question I should like to ask the minister is this. Just how is a report of that kind dealt with? Will that be considered and be either accepted or rejected by a vote in the agricultural conference, or is it just a series of proposals made to the member nations, leaving it up to each individual nation to decide whether or not they want to act on those proposals, either in part or in whole, independently of one another? The minister might answer that question at his convenience.

I should now like to raise one other question which is also related to farm products, but is of an internal character. As the minister knows, there is in western Canada today a great deal of interest in the subject of marketing boards. The minister knows that in Alberta the enabling legislation was not passed largely because the government apparently was not at all sure that the farmers were in favour of such action. However, I understand that this summer a large series of meetings will be held and that an attempt will be made to get the farmers to indicate whether or not they are in favour of marketing board legislation or rather enabling legislation. If the farmers express an opinion that such action should be taken, I believe that probably a plebiscite will be taken, and provided a majority of the farmers vote in favour of the proposal, then I suppose that enabling legislation will be put into operation.

That being the situation, I can envisage that when I get back home, if I am attending any of these meetings, I am going to be asked a number of questions. I should like to get a little bit of information from the Minister of Agriculture so as to try to make sure that my answers will be correct. In the first place, am I correct in believing that, if these boards are set up, they will be entitled to a guaranteed initial payment up to possibly 80 per cent of the average price of the past three years? I believe the act provides for 80 per cent, although I understand the general practice is to make the initial guarantee up to 60 per cent. Furthermore, would they be entitled to a support price under the Agricultural Prices Support Act if the price of commodities falls to the level set by the formula under the Agricultural Prices Support Act? In that connection, is the formula that the minister explained to the house a year or so ago still in operation? Is the support price under the Agricultural Prices Support Act based upon the three base years, 1943, 1944 and 1945? If I could get an

answer to those questions, I think it would help a number of us in dealing with this question when we get back home.

**The Deputy Chairman:** Shall the item carry?

**Mr. Macdonnell:** No, Mr. Chairman. I wish to ask one or two questions of the minister with regard to professional services. There is a scientific service and an economic service. Let me say this at the outset. Although I am lamentably ignorant about science, I believe I know enough to know how important a part it plays in agricultural production. For example, my friend the hon. member for Huron this morning was pointing out to me that in his part of the world there is a blight on the cedar trees at the moment and that investigations will be going on with a view to discovering the cause and finding a cure. My question is merely this. I do not mean to suggest for a moment that there needs to be less work done. I want to ask whether there is any danger of such a thing as overlapping. We all know that people become enthusiastic in what they are doing and wish to expand their operations. To show what I mean I shall read just a sentence or two from the annual report of the director of science service for the year ended March 31, 1953, which I think is the last year for which a report is available. This is what he says:

> . . . but greatly improved laboratory facilities and more highly trained staff have resulted in a much healthier balance between applied and fundamental work. The amount of scientific work completed, during the year under review, is recorded by means of the lists of published research papers, numbering 284, at the end of this report. The value of a more comprehensive and scientific approach to economic problems is becoming increasingly apparent in the amount and quality of the applied phases of the work.
>
> During the year five new, modern and well equipped laboratories have been completed.

And so on. I have here also the report of the minister with a list of publications. I will read just two or three of the names: "Studies on the Treatment of Contaminated Combs and Honey with High Velocity Electrons". I have no doubt that the hon. member for Middlesex East will know all about that and will be making full use of it. There are other reports listed here, and I come to one with a name so long that I can only take a run at it. It is called, as far as I can pronounce it, "the nonmutagenic action of p-p'-DDT and y-hexachlorocyclohexane". I have no doubt the minister knows all about that. I am only mentioning it to ask two questions. First of all, how is the distribution of a thing like that arranged? Second, and much more important, I want to ask this question. I have already referred to the great expansion of

[Mr. Quelch.]

the minister's department, and I have said in the house before that any man worth his oats in any job seeks to expand his department. He would not be worth his oats if he did not do so. There are various scientific agencies throughout the dominion. We have the universities and various provincial organizations, and I should like to ask the minister this question. When some new scientific work has to be done—and let me repeat that I believe in this work fully—is any attempt made to take stock of the situation and to allocate the work among the various research bodies that are capable of doing it, or is there a danger that when we have this healthy and growing organization it grows just because it likes to grow and without full account taken of the various organizations which are engaged in this kind of work? I would be glad if the minister would answer that when he speaks. I would be glad to know more about the number of scientists and whether full account is taken, in a discriminating way, of the amount of assistance which can be obtained from outside the department.

I also want to raise some question with regard to the economists. If my memory serves me correctly, there are 55 economists in the department. As I pointed out, there are really 56 because the minister is an economist too. I have here a list, which I do not propose to read, of publications of the economics division, and there again I want to raise the same question. It often occurs to me that there are two ways of looking at expenditures. One way is: Will the expenditure serve a useful purpose? The second is: Can we do without it?

We undoubtedly and naturally have been going through a period of high activity, of high government income and high productivity, and I think it would be almost inevitable that the test of public expenditure which has been applied pretty definitely is: Can we make any use of it? Will it give any good result? My question is whether the need which constantly faces us of trying not to let our expenditures get away from us—and we certainly have high taxes from which many people suffer—is having any effect on the professional services maintained by the department?

**Mr. Gardiner:** The question raised by the last speaker is one which I have referred to two or three times since eleven o'clock. I have said that the answers to this question will come on the items either of science service or experimental farms. The work is being carried on in those two sections.

**Mr. Macdonnell:** I did not mean to ask the minister to do it now.

**Mr. Gardiner:** I was hoping he did not expect me to. I think two of the speakers who have spoken so far today, the first one and the last one before the hon. member took the floor, raised general questions which there probably was not much opportunity to discuss on the items. But the others were questions which I think could be much better dealt with on the items and I do not think I should proceed to answer them now and make remarks with regard to something which will be discussed a little later on. I hope that the general item can be passed now and that we can get to the other items and discuss them quite fully.

**Mr. Zaplitny:** I have a question to ask which deals with policy rather than administration, and I believe this is the proper place to discuss it. When the minister is replying to the question asked by the hon. member for Acadia I should also like him to indicate the procedure followed under the co-operative marketing act with respect to the agreements between the federal government and the boards as to setting the initial price, so that it may be on record.

The other matter to which I want to refer very briefly is the question of the Prairie Farm Rehabilitation Act. I have had some correspondence with the minister on that subject, and as recently as the 9th of June I had a reply to one of my letters in which the minister indicated that it is not the intention of the government to introduce legislation at this session to widen or amend the act in order to make it apply to a greater area than at the present time. In that letter reference is also made to the fact that it would not be wise to do so until agreement has been reached between the federal and provincial governments regarding financing in general.

That is the particular question I should like to have cleared up. I should like to know what agreement the minister has in mind and whether any negotiations are being carried on now between the provinces and his department with respect to the act and financing in general or are contemplated in the near future. I should also like to know whether any representations have been made to his department more recently than the ones emanating from the conference of the four western ministers of agriculture roughly six weeks or two months ago where it was unanimously recommended that the provisions of the act be made applicable to all agricultural areas of the four western provinces.

I could go into detail a great deal more but I will refrain from doing so in the interests of getting the explanation from the minister that much sooner. As the minister is no doubt quite aware, the situation in many parts of Manitoba, particularly in the area which I represent, is almost as serious, judging from press reports, as it was last year. Farmers of that area who suffered almost a total loss last year are facing the same situation this year on account of the flood waters. I realize that not all these difficulties can be cleared up by projects under the Prairie Farm Rehabilitation Act but a great deal could be done. It now appears quite clear that this is not something that happens only once in twenty or twenty-five years. It has been happening with greater regularity, and in recent years it seems to be snowballing.

There are reasons for that. One reason is the greater amount of precipitation, but there are others, and I hope that the minister can indicate that at least plans are going forward and negotiations are being held or are contemplated for this year in order that something may be done at the next session of parliament to widen the provisions of the act to include a greater proportion of the three prairie provinces. We certainly appreciate the work that has been done under the agreements between the provinces, municipalities and the federal government since about 1948. They have been of a great deal of benefit but, as I have pointed out to the minister before, the weakness of these agreements lies in the fact that the weakest link is the municipality. The assistance is based on what the individual municipality can contribute as its share of the total cost of the project. Unfortunately some municipalities which have the greatest difficulties in connection with flood waters are the least able to provide any funds. As a result there is a very severe limitation on what can be done under these agreements. I hope that the minister will clear up this question in replying to the general questions asked.

**Mr. Gardiner:** I should like to emphasize again that I am sure it is not fair to other members for me to discuss this question at this stage. The two items to which there has been particular reference are P.F.R.A. and marketing, and they are both provided for in the estimates. There may be members who are not in the house at the moment, but who expect to be here when those items are considered. It would not be fair for me to start answering questions, and to discuss those items, without those members here, because we would probably have to go back over it all again. I am quite prepared to discuss them fully when we get to the item but I wish you would let us get to the item.

**Mr. Zaplitny:** That suits me fine; I am not insisting that the minister answer these questions now, but I did indicate that these questions having to do with policy rather than administration should be asked now.

**Mr. Gardiner:** No, the item we are discussing is administration. Questions concerning policy with regard to the different items should be asked when those items are being considered.

**Mr. Zaplitny:** My understanding is a little different. We are dealing with general agricultural policy under the item of administration. I recall that in previous years when we attempted to discuss that general policy under a particular item, we were told it should have been raised on the general administration item. However, I shall not quibble about it now if the minister is willing to answer later.

**Mr. White (Middlesex East):** I wanted to add my five cents' worth to this debate on agriculture. I was greatly impressed by the speech of the hon. member for Queens this morning, when he referred to the various claims that could be proven by statistics. One of the questions that I asked, and that he failed to answer, was who was the author of that book on statistics. I believe if I asked the farmers and my constituents, nine out of ten of them would answer that the Minister of Agriculture was the author, and he would probably take that as a compliment.

You can quote all the statistics you like, but if you go back to the farmers and ask them if they are as well off as the minister would lead them to believe they are, they will vehemently deny it. Of course, I suppose there is a certain amount of logic to that. There is no other business in the country that judges its progress on a gross income basis, and no matter how much the gross value of agricultural products may be, the cost of production is the factor that decides whether or not at the end of the year you operate at a profit or a loss. Statistics have proven that the income of the farmer has gone down some 24 per cent, and his cost of production has gone up at least 3 per cent or 4 per cent. How he can be better off than he was in other years under those conditions is more than I can understand.

There are two or three things that I am going to mention that will indicate why many industries today find themselves operating on short time or with a lesser number of employees. I do not need to go out of my own county to point that out. One day last week I was in Strathroy. I understand that one of the factories there is operating only two days a week. No doubt the employees in that small plant have a lot less money to spend; and consequently, whether it is automobiles, clothing or food on which they spend that money, they are spending less. There are some other factors that indicate just why there is not as much money being spent. The reports of the dominion bureau of statistics on carloadings indicate that they are down considerably. I do not know that I really need to go into that, because I believe the house and the minister understand the situation. The report ending March 31, 1954, showing the cumulative totals for the first quarter of the year, indicates a 10·2 per cent drop.

The principal source of the decline in the three months total loadings are: grain, down 39,000 carloads; lumber, timber and plywood, down 6,400 carloads. In so far as commodities moving in less than carload lots are concerned, the number of carloadings of these mixed items is down 20,000 carloads from the total of a year ago for the same period. There were 173,176 cars loaded in the three-month period a year previous, and this year for the same period the loadings are down 20,700 from that figure. I believe that indicates, just as well as anything that can be used, the present situation because that is a barometer of the business of the country.

Then, another alarming feature is the fact that imports from foreign countries are up while exports are down. Every time we buy something from abroad we hire a labourer in that foreign country to produce that article. While we have unemployment here in a good many industries, we have become so tied up with our international trade relations that countries with depreciated currencies are able to produce these goods and sell them in the Canadian market much more cheaply than we can. These nations are anxious to get into the Canadian market because of its dollar values.

Another factor that has not helped us has been the fact the United States has not lived up to its commitments so far as GATT is concerned. I am not going to go into the details of that. The United States dollar policy has certainly been detrimental so far as the sale of Canadian farm products in the world export markets is concerned. Along with this dollar policy, the practice of extending credit to nations in Europe that are in need of these goods has meant those nations will buy in the United States in preference to buying in Canada. Another indication of the trend of events is the number of commercial failures in Canada. I am not going to go into that, but the percentage is up.

Last Wednesday I asked the minister a question concerning the establishment of a floor price for Ontario wheat. I am going to

read the minister's answer. I am quoting from page 6049 of *Hansard* for June 16, 1954, where the minister said:

> Mr. Speaker, there is nothing done under the wheat board in connection with that price. The price in that regard is set otherwise.

For some time now we have listened to a debate on western wheat. All of the Ontario winter wheat buyers know quite well the wheat board, as the minister said, has nothing to do with the setting of the price for Ontario wheat. I have here a clipping from the Chatham *Daily News* of July 21, 1950. The parliamentary assistant will remember a meeting held at that time when it looked as though the price of Ontario grown winter wheat would decline from $1.90 to $1.60. There was quite a protest meeting and some suggestions were made as to what should be done to protect the farmer from a considerable drop in price. The price drop at that time was about 30 cents a bushel. Up until recently the price of winter wheat was ranging around $1.55. On Monday of this week I was speaking to one of the grain buyers in my county and he advised me that, so far as he could ascertain at the moment, the opening price would be somewhere around $1.25. Today I again telegraphed to some of the buyers, but so far have had no reply from them. That indicates, anyway, the thinking of the grain trade.

When we are dealing with the price of wheat I just wish to point out, as some of the other members did, that while the consumer thinks the price of food is high, he very often does not realize the percentage of the food dollar that actually goes to the producer. What I am about to quote is taken from the Saint John *Telegraph-Journal*. Dealing with the food dollar it says:

> The farmer's share of a 14-cent loaf of bread is 2¼ cents or 16 cents of every dollar spent on bread.

No doubt there are many other farm products in respect of which the percentage of the consumer's dollar that goes to the producer is higher than it is in connection with bread. Supposing the price this year for eastern grown winter wheat is $1.25, the reduction in price will be about 20 per cent. Is the price of flour ground from that wheat going to drop by 20 per cent? I doubt it very much.

Consequently the class of people in the country who are to take all the squeeze will be the producers, and the consumers will not have any of the benefit. I am afraid of that; and I doubt very much whether the price of pastry, of bread, or of flour will go down by 20 per cent.

Then, I come to another subject that a good many farmers are not too happy about, and that is the grading of farm products. I think most of them believe grading has done a good deal to improve the quality of the products they put on the market. Because of grading, in many cases the product goes to the purchaser in better condition, and he receives it in better quality than in years gone by.

However, the objection of many farmers is that the grading does not carry through to the ultimate consumer, although in some lines it carries through better than in others. On the other hand the farmer finds that most of the products he has to buy are not graded. Consequently he has no way of knowing whether the product he is buying is good or not, except by depending on the integrity of the companies manufacturing the product. And hon. members know as well as I do that that varies from time to time.

Many of the things the farmers buy are dumped in this country. We heard something about dumping this morning. I am quite sure many of the products would not be purchased if the country of origin were shown on the manufactured goods dumped in here. I have textiles in mind particularly. I am certain that if they were subjected to the same scrutiny and tests to which farm products are subjected, they would not grade No. 1. Some of the products that are dumped in here are certainly not first quality. That was indicated very clearly the other evening by the hon. member for Kootenay West when he pointed out that government inspectors in the Department of Transport dealing with radio interference were quite prepared to jump on the farmer, the blacksmith or the carpenter whose motor might be causing interference, but they shied away from doing anything with the Kootenay power company. And that happens right down the line.

The inspectors jump on the farmer because he is an individual and does not wish to cause trouble; but so far as the grading of their products is concerned, the big companies are not bothered. Perhaps I might mention two or three items the farmer has to purchase which might be looked into. I would refer particularly to lumber, light bulbs, shoes, work clothes, and particularly some of the feeds and minerals that are sold to farmers. I hope some changes will be made.

I turn to one item of production with which I am familiar, namely honey. I say the grading of honey is not what it should be, and recently there have been some disputes about grades. I know that from three samples taken out of one five-pound pail of honey we got three different reports from three different sources. I know also of two

different samples taken from a five-pound pail that were sent to the same graders, and two different answers were received back.

Furthermore, many of the farm products today are graded after the farmer has parted with them, and he has no chance in the world of disputing or questioning the grader's report. Consequently, he finds himself in a very bad bargaining position. I shall not say any more about that because I produce honey, and some persons might think that I was trying to use some influence in respect of a product in which I am particularly interested. So I will drop the subject right there.

I have made reference to an article appearing in the Chatham *News*. I shall not review the whole of it, but it discusses floor prices. To the great majority of Canadian farmers the administration of the floor price program promised in 1945 has been a disappointment and a dismal failure. Whether or not we agree with the principle, so far as the farmer is concerned that program has not lived up to expectations.

I have here an article from the *Ontario Fruit and Vegetable Grower* entitled "Who Gets the Consumer's Dollar?". I am not going to take too much of the time of the committee, but I would point out that from a 20-ounce tin of tomato juice selling for 12½ cents the farmer gets only 1·8 cents. So that the farmer can scarcely be blamed for the high cost of food.

Recently when the standing committee on agriculture met we had a most interesting talk from Dr. Dimmock of that department in which he dealt with soybeans. I believe the committee appreciated what he had to say, and that a good deal of useful information was gained. In previous years when there were only one or two buyers and processors of soybeans, the growers in western Ontario, particularly those in southwestern Ontario, had difficulty in getting their crop to market because, as was pointed out, they were all harvested in a very short space of time, freight cars were not available, and they had difficulty in unloading at Toronto.

I wish to point out to the committee and to farmers in general that in this past year when an independent grain company engaged in the buying of soybeans, loading them on a boat at Port Stanley, no difficulty was encountered so far as freight-car, grading or unloading facilities at Toronto were concerned. That just goes to show what can happen when there is a bit of competition in any business. It livens it up and gives to the seller a better market at a higher price. I am pretty certain in my own mind that the farmers in that area stood to gain anywhere from 20 cents to 30 cents a bushel because of the competition that developed at that time. That same company is expanding its facilities at the port, and is planning to export not only soybeans but corn and wheat. A lot has been said about the part that the soybean growers association took in the marketing of that crop, but a lot of credit should be given to this private grain company which developed the market overseas and are proceeding to develop it further. We shall have a competitive market for that farm product in southwestern Ontario.

I just happened to mention the grading of lumber. I hold in my hand the Ottawa *Journal* of May 26 of this year. It says: "White pine grading studied by dealers". The story goes on to say that one of the firms today was trying to educate its dealers across the country in the proper grading of its products. That is one reason I mentioned the grading of the things the farmer has to buy.

In conclusion, may I say I have a Canadian Press dispatch which is headed: "Government unworried over lost markets, Gardiner". Perhaps he is not, and perhaps the Minister of Trade and Commerce is not, but every farmer in the land is worried and I hope that the government will do something about it.

**Mr. Blackmore:** Just to make sure that I shall be in order on a certain item I should like to ask the minister whether or not I would be in order under item 21, or under some other item, to discuss two questions that are of vital importance to us today in Canada. The first one is whether or not the minister has a policy in respect to the expanding or contracting of production of various agricultural products for the production of which Canada is fitted; whether he has any plan in determining whether or not we are going to limit the production of wheat or any other commodity, or expand the production of certain commodities. Second, whether he has any policy in respect to storing any particular kind or kinds of non-perishable commodities such as beans, corn and the like. Would I be in order if I asked those questions under item 21?

**Mr. Gardiner:** Yes, the hon. member would be in order in discussing it under production, or certain features of it under marketing, and they are items still to come.

Item agreed to.

3. Advisory committee on agricultural services, $5,000.

**Mr. Charlton:** Can the minister tell us how many meetings have been held by this advisory committee in the past year?

**Mr. Gardiner:** We have two meetings a year, and two meetings have been held within the last twelve months.

**Mr. Charlton:** Two meetings each year?

**Mr. Gardiner:** That is the general practice, and if they want more we have more.

Item agreed to.

4. Contributions to commonwealth agricultural bureaux in a total amount of £43,959, notwithstanding that payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1954, which is, $120,393.

**Mr. Charlton:** Can the minister tell us whether this commonwealth agricultural bureau has anything to do with the FAO organization, or is connected with that organization in any way?

**Mr. Gardiner:** No, it has nothing to do with FAO. This has been in existence for a long time and was in existence before there was any FAO, and is still operating.

**Mr. Blackmore:** Can the minister give us an idea just what this particular organization has done for us during the last year and what it is contemplated it will do for us next year?

**Mr. Gardiner:** The general position is that there is a bureau set up that operates from Britain, and the different parts of the commonwealth contribute all the information that they have to that bureau, and when we want to get information with regard to what is going on in other parts of the empire we can get it there, and others who need it can get our information there. This bureau operates for all of us.

**Mr. Blackmore:** Is there any thought of co-ordinating the efforts of the various members of the empire or the commonwealth?

**Mr. Gardiner:** That is the way it is done now. They are co-ordinated into this bureau, which has a central office. We all co-operate by putting our information there so that they can all get it.

**Mr. Blackmore:** In what way have we actually co-ordinated our efforts in regard to certain commodities, for example, wheat or butter or cheese? Have we actually co-ordinated those efforts? If so, how comes it about that Australia and Canada are competing with each other in cutting the price of wheat?

**Mr. Gardiner:** They have all been considered, but wheat is probably an item that is more immediately to be considered by the council which is meeting over in Britain, which has under consideration that very matter. They probably will give more consideration to it than this particular bureau, but this bureau gathers information with regard to fighting parasites, fighting rust, for example, which affects wheat, and all that kind of thing, and making any information there is available to all parties.

Item agreed to.

Science service—

6. Construction or acquisition of buildings, works, land and new equipment, $1,514,806.

**Mr. Harkness:** Can the minister tell us what is contemplated this year along the line of the construction of new buildings, works and so forth for scientific purposes of the department?

**Mr. Gardiner:** The official who was here this morning told me he could not be here this afternoon and said he understood that some question was to be raised with regard to this particular item. The increase in this vote has to do with the cost of constructing an addition to the building which houses the commonwealth mycological institute, and is a non-recurring item. The mycological institute is one of the 12 CAB organizations located in the United Kingdom. It publishes the abstracting journal called the *Review of Applied Mycology*, informs member countries of outbreaks of plant diseases throughout the world, maintains stock cultures for identifying plant diseases, and acts as a general information centre for mycologists and plant pathologists.

The various bureaux located in the United Kingdom are housed at universities and agricultural institutions at a nominal rental. In the case of the mycological institute, the building is the property of the commonwealth agricultural bureaux, having been constructed out of moneys provided by the old empire marketing board, and is not attached as the other bureaux to any established institution. It is located adjacent to Kew Gardens, however, and has an excellent working arrangement for the use of the Kew library.

The problem of providing additional space was discussed at the 1950 review conference. While the conference voted to raise the capital cost of £55,000 by contributions from the commonwealth countries, Canada and the Union of South Africa reserved their position on this vote.

Subsequently all other commonwealth members of the CAB have approved of contributing their share, estimated on the same basis as the general contributions. The United Kingdom will therefore provide 43 per cent, Canada 17 per cent, and the remainder is distributed proportionately around the commonwealth.

The present building and the addition will remain the property of the commonwealth agricultural bureaux, Canada thereby having a 17 per cent interest in the total investment which is estimated at £196,000.

This item will not recur in next year's estimates, and does not establish a precedent for the launching of a building program for other units of the CAB. That is the explanation of the expenditure we are making this year and we will not be having that vote again next year.

**Mr. Harkness:** Mr. Chairman, I think the minister was answering something in connection with item No. 4 about which we have not yet asked. What I asked was for the construction under item No. 6 which is the item we are on at the present time. There is an expenditure under this item of $1,514,000, and in fact it is down about $250,000 from last year. I was wondering what construction is being provided under this item.

**Mr. Gardiner:** There is quite a long list here and I do not know exactly what my hon. friend wants to know.

**Mr. Harkness:** I do not really want the entire list. I wondered if there were any new laboratories being built which would assist our services materially.

**Mr. Gardiner:** There are some items on which we still have to spend money. There is only one new building included in this item which is being built at Winnipeg. What I think my hon. friend has in mind is the situation at Lethbridge, which I know he has discussed on a number of occasions.

**Mr. Harkness:** Yes, I was interested in that.

**Mr. Gardiner:** I understand that has now been completed.

**Mr. Harkness:** But, Mr. Chairman, there is no breakdown given here and all we have is the bulk item. It seems quite a lot of money and I thought that perhaps new buildings, laboratories, and things of that sort were being undertaken by the department. Apparently this is for additions and things of that sort.

**Mr. Gardiner:** Perhaps I had better read the details so that you will have a general idea. At Charlottetown, Prince Edward Island, under item 12, there is an extension to be made to the pumphouse at Upton farm, and reconstruction of a temporary header-house adjoining potato indexing greenhouse. Then the paving of a roadway, and a parking area at the new laboratory building. The cost of these items will be $12,000. Then at Kentville, Nova Scotia, there is a new item of $22,000. This item provides for the construction of a greenhouse at this location. A new laboratory building, headerhouse and one greenhouse were erected at this establishment over a period of three years and it is considered that with the addition of one more greenhouse, the requirements at Kentville will be adequately met for the next few years. Then there is an item with regard to Fredericton for a new modern science service laboratory and other items at Ste. Anne de la Pocatiere, Quebec city, St. Jean, Ottawa, Belleville, Ontario, London, Ontario, Harrow, Ontario, Winnipeg, Manitoba, Saskatoon, Saskatchewan, Lethbridge, Alberta, and the acquisition of equipment $75,000.



**Mr. Harkness:** Would the minister say what is being done at Lethbridge this year?

**Mr. Gardiner:** At Lethbridge there is an amount of $48,300 dealing with a feeder shed required to conduct a program of experimental livestock insect control. The procedure will involve a considerable number of livestock which must be maintained on laboratory grounds under specific conditions that are subject to manipulation according to experimental design. Then there is an item covering the construction of a direct road between the main buildings at Lethbridge and the livestock insect establishment. That amounts to $5,000. Then there are miscellaneous items amounting to $1,300 providing for automatic power vents to greenhouses and complete screening of living suites.

**Mr. White (Middlesex East):** Mr. Chairman, I would like to ask the minister to give some details of the expenditure at the new science service laboratory at London, Ontario. Are there any new experiments and research being undertaken there and any extension of the present buildings or additions to the staff?

**Mr. Gardiner:** Perhaps I had better just read the item and give the hon. member the information in that manner. At London, Ontario, there is a revote of $20,000 and a continuation of $42,500, making a total of $62,500. An amount of $55,000 is required to complete plant growth chambers, construction of which was commenced in 1952-53. A total of $215,000 was provided during the current year, that is 1953-54, for this project. Of this amount, $50,000 was a revote of 1952-53 funds, the entire amount provided in that year. It is estimated that $20,000 will remain unexpended at the end of the current year, 1953-54, and a revote of this amount, together with an additional $35,000, will be

required to complete the work. The installation is extremely delicate and complicated and has presented difficult engineering problems as construction work proceeded. Most of these problems have now been solved and it is considered that the research results will more than justify the capital outlay. The remaining $7,500 is for the purpose of completing benching and cupboard work in 17 rooms of the main building and in the new headerhouse.

Item agreed to.

7. Bacteriology and dairy research, $213,395.

**Mr. Cardiff:** Can the minister explain the expenditure under this item?

**Mr. Gardiner:** The chief functions of this division are carried out chiefly in co-operation with the experimental farm service and science division of the service. They deal with the dairy bacteriological pure milk production development, and economic methods for maintaining milk quality; also the problems of manufacturing butter and cheese; control of defects in commercial products such as butter, cheese, milk, and powder, and methods for the evaluation of quality in milk dairy products.

**Mr. Cardiff:** Would that have anything to do with the equipment the dairy men have been forced to put in recently to take care of the milk before delivery?

**Mr. Gardiner:** My understanding is that this comes under the control of the milk board and they are, of course, provincial, as my hon. friend knows.

**Mr. Yuill:** I would like to ask the minister a question in regard to what research has been made in combating Bang's disease within the last year.

**Mr. Gardiner:** I wonder if my hon. friend would wait until we get down to the production services and the health of animals?

**Mr. Yuill:** Which item is that?

**Mr. Gardiner:** Item No. 24.

**Mr. Charlton:** What developments have there been in determining whether butter had been adulterated with vegetable oil products? There was some difficulty about that last year and perhaps the minister can tell us the latest developments.

**Mr. Gardiner:** That method has been developed in the health department and is applied by them. Of course they make investigations on our account also. But they are able now to determine whether or not there is vegetable oil in butter.

**Mr. Charlton:** It is carried on under the food and drug section? Part of the experimental work would be carried on there, would it not, with regard to the tests?

**Mr. Gardiner:** The food and drug section of the health department—not the health of animals but the health department—under the Minister of National Health and Welfare work together on the matter.

**Mr. Charlton:** Quite rightly.

**Mr. Gardiner:** We have discovered some cases in which an attempt was made—and carried out, as a matter of fact—to mix vegetable oils with butterfat and to produce what they called butter. We have had some difficulties in connection with the matter.

**Mr. Cardiff:** Are they able to detect whether butter has been adulterated with margarine or has been mixed with margarine?

**Mr. Gardiner:** Margarine, of course, is made from vegetable oils largely and they can detect the vegetable oil content.

Item agreed to.

Botany and plant pathology—

8. Operation and maintenance, $1,403,534.

**Mr. Blackmore:** Under this item, would the minister care to discuss the progress being made with respect to stem rust in sunflowers? I understand there are one or two varieties of rusts which have done considerable damage to sunflower culture in Canada, especially in Manitoba.

**Mr. Gardiner:** Epidemiology, and varietal susceptibility studies of downy mildew of sunflower are being conducted at Ste. Anne de la Pocatiere to determine the means of dissemination of the causal fungus and the relative resistance of different host strains.

In Manitoba, the peak sunflower acreage of 60,000 acres in 1949 was reduced to 5,000 acres in 1953 because of severe losses from rust and, to a lesser extent, from unfavourable growing conditions in some of the intervening years. The most promising solution of the rust problem consists in the breeding of rust resistant varieties, which has recently been undertaken at the Morden experimental station. Assistance given to this work involves the testing of numerous varieties and new hybrids for reaction to rust and, furthermore, a study of the rust organism to determine to what degree specialization

for pathogenicity exists in it. Studies thus far carried out indicate that most varieties are susceptible in early stages of growth but that a few develop some resistance in later growth stages. No evidence has yet been found for specialization in pathogenicity within the rust.

Plant disease surveys have shown that Sclerotinia wilt occurs throughout the sunflower area and is severe in occasional fields. All varieties appear to be susceptible to this disease but a considerable measure of control can be obtained through suitable cultural practices and appropriate crop rotation. Several other diseases have been found but none of them is of economic importance at present.

I will see to it that this item gets into the hands of *Hansard*. The words will be correct when they are in *Hansard* even if I have not pronounced them correctly.

**Mr. Macdonnell:** I could at least spell them.

**Mr. Hansell:** I should like to ask the minister a question with respect to the production and distribution of the new Selkirk wheat. I have had some complaints about the distribution.

**Mr. Gardiner:** Would my hon. friend wait until we get to experimental farms?

Item agreed to.

Forest biology—

*13.* **Operation and maintenance, $1,923,859.**

**Mr. Cardiff:** Would this item have anything to do with trying to find out about the blight or disease in cedar trees that is prevalent this year?

**Mr. Gardiner:** Yes. It will include that. That work will be carried on there.

**Mr. Charlton:** Can the minister tell us something about this new insect that is bothering Scotch pine?

**Mr. Macdonnell:** Give us the name first.

**Mr. Gardiner:** Can the hon. member tell us by name what the insect is?

**Mr. Charlton:** There are a great many people who wish they knew what it was and how to stop it.

**Mr. Gardiner:** It is a little bit difficult to find it in the book here without the name because we have it indexed only according to names. I am told by the officials that an investigation is being carried on with regard to it. However, the results up to the moment are not such that we are able to give anything very definite with regard to it.

[Mr. Gardiner.]

**Mr. Herridge:** Can the minister explain the purpose of the increase in this vote? Can he tell us what work it is being expended on?

**Mr. Gardiner:** That is an increase of about $200,000.

**Mr. Herridge:** Yes.

**Mr. Gardiner:** On page 87 of the estimates, of which the hon. member no doubt has a copy, he will find the items given there. There is quite a long list of them. I do not know that I need read them. There is only one increase in the personnel.

**Mr. Herridge:** Is any particular new project being undertaken which causes the increase?

**Mr. Gardiner:** I will read what it says here. The over-all increase in this vote amounts to 8 per cent and can be attributed to the normal increase in salaries, material costs and travel. Some expansion work on projects has taken place but generally speaking such expansion has been as a result of more efficient use of present facilities and an increase in capital assets provided under other votes.

Item agreed to.

*15.* Plant protection, $838,448.

**Mr. Cardiff:** Will the minister explain some of the work carried on under this item?

**Mr. Gardiner:** The chief part of the work is the checking of everything that comes into the country in order to prevent the entry of plant diseases along with the plants that are being imported. It has to do with the difficulty with which we are all familiar that we have when we come to the Canadian boundary after making a trip to the United States. We may buy some vegetables or fruits while we are in that country, and when we come to the boundary line we cannot understand why we have to eat all of the product if we want it at all rather than bring it into the country. That is a constant trouble with us all, but the greater part of the work has to do with that operation.

Item agreed to.

Experimental farms service—

*16.* **Experimental farms service administration, $181,201.**

**Mr. Decore:** I should like to draw a matter to the minister's attention which I have raised on the floor of the house on previous occasions from time to time. I hope in bringing it to his attention now my persistence will not be regarded as a nuisance. I refer to the need in the northeastern part of Alberta for an experimental farm, experimental substation,

or whatever you wish to call it, but some type of project which, combined with research, experimentation and demonstration, would assist the farmers in helping to solve their farm problems.

The minister will recall that he paid a courtesy call to the Vegreville constituency over a year ago. He will remember that at that time various delegations from miles and miles around made representations to the minister with respect to the need for such a project in that area. Generally speaking, we in western Canada have to contend with the cost of production. We are situated far from the markets. We have the problem of the cost of transportation. Therefore it is imperative that the cost of production be minimized so far as the farmer is concerned if he is to remain in business.

With regard to my constituency or north-eastern Alberta generally, I should like to point out to the minister, and I think he is aware of the fact, that it is an area where the people engage in very extensive mixed farming. Time and time again, year after year, farmers from that area have received recognition in international fairs for their cattle exhibits and their grain. Year after year they have received world recognition by winning the oats championship or the barley championship. Just last year a farmer not very far from Vegreville received such recognition.

As I say, that area is definitely interested in mixed farming and there is a need for this type of thing. The reason I bring this matter to the minister's attention again is that the nearest establishment of this type is at Lacombe which, for most of the farmers in my area, is more than 200 miles away. The Lacombe experimental farm is doing very useful work, but for many farmers it is difficult to go that far in order to be able to see on the spot what is going on. Therefore I hope that the minister has given this matter consideration with a view to the establishment of some such project in that area. I am not saying that it has to be as big as the Lacombe enterprise. Neither, of course, would I like to see it as small as the demonstration farms. I should like to see something in between, and I am sure that such a project would receive the widest co-operation and support from the farmers of that area and that it would be a success. Has the minister given this matter any consideration?

**Mr. Gardiner:** As the hon. member has said, this question was raised last year, I think, when my estimates were being considered, and I believe the year before. The representations made to me when I was in Alberta the summer before last were to the effect that they wanted an experimental farm. I had to say to them that we had an experimental farm at Lacombe, another one in the far northern part of Alberta and also two in the southern part, and that it was thought that was about all we required at the present time in order to take care of the situation in so far as experimental farms were concerned. But then it was suggested to me that there should be something in the nature of a demonstration station, as my friend says, although we call them officially illustration stations.

The question has been discussed and the discussions have led to the consideration of where the station should be. I think some agreement has been reached between the people who live in the immediate area referred to and those who live across the river, I believe it is. The soils are somewhat the same, and the question is being considered now as to where a station of that kind might be located. The actual location has not yet been determined but an effort is being made by the officials to locate a place where it can be properly established in order to carry out the activities which are thought to be essential there.

**Mr. Decore:** Do I understand that the minister has in mind the acquisition of land, or is land going to be rented from some farmer? What has the minister in mind?

**Mr. Gardiner:** We have in mind the possibility of having to purchase land in that locality in order to get what is required. The general policy is to rent land, but on this occasion it is thought, after some investigation having been made into the matter, that it may be difficult to get suitable land with a person on it who is prepared to carry on in that way. If that is found to be the case it may be necessary to purchase land and to put someone on it.

**Mr. Decore:** How much land does the minister have in mind?

**Mr. Gardiner:** I think the hon. member is getting too much into details now. That is a matter which is left largely to the officials to investigate and to make inquiry as to how much they require for what they intend to do.

**Mr. Decore:** Can the minister say what type of program will be carried on at this project?

**Mr. Gardiner:** That is not really the minister's job. The question whether there is going to be a station there is. The kind of program which will be carried on will be that which practice has indicated should be carried on with that kind of set-up.

**Mr. Charlton:** Rumours persist, and I have heard them in many places, that there is

some thought of moving the central experimental farm from Ottawa. Has the department any such idea in mind? Is it considering changing the location of the farm by moving it farther out from the city?

**Mr. Gardiner:** No consideration has been given to the possibility of moving the farm. There are people making suggestions all the time, of course. We listen to them, but any suggestions that have been made that anything along that line should be done at an early date have always been replied to in the negative. We do not intend to do that kind of thing. Many people have taken the position that this farm, so far as agriculture is concerned, provides opportunities that no farm in any other place could. There are so many people who come to Ottawa who probably would not go out of the city ten miles to look at an experimental farm, but in this case the farm is right here. These people are told by everybody that it is one of the beauty spots of the area and they go there. If they are farmers, they get a great deal of good out of it. If they are people from urban centres throughout the country they also get a great deal of good out of it. They find there are many things they can learn that they can apply on their own home properties which are very helpful. From that point of view we think the farm is in a good place.

In addition, I find that no matter where I go, whether I am in Europe or in Washington, a great deal of attention has been paid to keeping areas in their natural state. For example, when I go to London and look out over Hyde Park, I wonder why we do not have areas like that in our cities in Canada? The experimental farm in Ottawa is the nearest approach that we could possibly have to that. Even if it becomes necessary at some time to move some of the activities a little farther away, I do not believe that farm should be closed up or eliminated by allowing people to build on the area, or doing anything else with it. I believe it should remain there just as it is now.

I might say that I agreed when the hon. member for Greenwood was speaking that we might deal with his question either under science services or under experimental farms. In answer to his question I want to say that there has been quite a lot of discussion over the years as to whether or not research work in the Department of Agriculture, either under experimental farms or under the sciences, should be carried on by this department or by the research people. Any decisions that were made about it were made before I came here. I do not wish to take any credit for having that work done as an increased activity on the part of the Department of Agriculture, as was suggested. This decision was made before I came here.

I was on the committee of council for some years that had to do with research. I think I am still on it because of the fact that agricultural research does come into the picture. We have always taken the position that the research work which is of benefit to farmers is better conducted on the experimental farms because the farmers can go there and see the results of it. It is much better to have it done there than to have it at some centre which is controlled by the research council. It is for that reason we have conducted the research out there. We have not thought we were overlapping in doing that kind of thing. We thought it was very necessary that work be done as close to the farmers as we could get it, in order to make it possible for them to see it.

The best illustration I have of what I am trying to say is that I can still remember when I was a boy in Ontario they used to organize trips to the Guelph farm. The hon. member who sits behind you will recall that.

**Mr. Cardiff:** They still do.

**Mr. Gardiner:** The young people of the counties of Huron and Bruce used to go down to the Guelph farm for a day. They used to talk about it from the day they went down until the day they went down there the following year. The older members of the family always encouraged the younger member to go. With that idea in mind, we think it is well to have this research work carried out on the experimental farms in so far as that is possible. Then, the people can see the results of it and go back home and put some of these things into general use to help farming operations. That is the one real reason why we keep the research in the agricultural department. We do not think we are overlapping in a way that is costing the taxpayer too much for the service that is being given.

**Mr. Macdonnell:** I would not disagree with one word the minister said about doing the work he has described, and which is visited by practising farmers at Guelph and other places. I take it that the pamphlet to which I referred this morning, the name of which neither the minister nor I could pronounce, referred to fundamental research. It does not seem to me the minister's answer covers that at all. I noticed his wording. He referred to research that was being done by them or by the research people in the department and I take it the "them" meant outside agencies or by the research departments of

the provincial departments of agriculture. It seems to me the minister's answer has not covered at all what I understand is correctly described as fundamental research. Just from reading the list from which I took a couple of names this morning, it seemed to me a considerable amount of that was fundamental research, and therefore my question is still unanswered. Is the fundamental research, as well as the special research for this or that problem, being done in the federal Department of Agriculture without regard at all to the possibility of there being other agencies that might do it?

**Mr. Gardiner:** Well, if the hon. member means provincial agencies or those who are operating in connection with our university staffs, that kind of thing, there is every co-ordination of those services. They have access to everything we do and we have access to everything they do. We work hand in hand in doing that kind of work. If we require something done for which we have not the official or the expert, and one of the universities in Canada has them, then we get in touch with those people. There is co-operation between the two groups. I do not think any overlapping will be found.

Some of these things, like mycology and so on, that have to do with diseases of plants, are dealt with in this research work that is carried on on our experimental farms to show people how to proceed in handling them as a result of the research on that problem.

**Mr. Macdonnell:** The minister's last answer does come exactly on the point to which I was referring. I just want to be sure that this is the position. Can I take it not merely that the department is ready to make use of the research facilities here or there, but that when a bit of research is to be done there is really a definite procedure by which consideration will be given to whether it can be done adequately elsewhere in Canada at the moment? It is so easy to go on adding new facilities and, as I say, building up a department of which a man becomes proud so that he naturally wants to extend it. Can I take it from the minister's answer that there is real co-ordination and co-operation in the sense that when a job is to be done full regard is had as to whether at the moment it can be done anywhere else in Canada adequately?

**Mr. Gardiner:** Absolutely; you can take that as absolutely correct. I am not taking credit for it. It has been that way ever since I came here and was built up that way before I came. There is absolute co-ordination in the work as between the provinces, the universities and ourselves.

I was down, for example, at Guelph about two weeks ago and the officials out there spent all afternoon taking me around to show me the things that we were helping with and the things upon which they were working along with us. In that connection they impressed on me the importance of seeing that our votes in connection with these matters were kept up to the usual. I quite understand that that farm is not part of the organization of this government, but of the Ontario government, but their officials and ours work hand in hand on all these things. Any money they put into this is spent to good advantage, and what money we put in is spent to good advantage, too.

**Mr. Macdonnell:** The minister's assurance is far-reaching. I can only hope he has not been infected too much by the optimism of the Minister of Trade and Commerce.

**Mr. Nicholson:** I want to draw the minister's attention to the applause he received a few minutes ago when he intimated the experimental farm at Ottawa would not be made available for subdivision. I think it is a great pity that in the development of Canada we have kept so little park land in our centres. I am sure I speak for every member in the house when I say that the experimental farm at Ottawa is one place that every person who visits Ottawa likes to see, and agrees is a place that should give us a great deal of pride.

The idea has gone abroad that farming is a very prosperous business in Canada, and I believe the minister himself must take some responsibility for creating that impression. I should like to suggest that consideration be given to having the experimental farm service set up a number of experimental farms in the maritimes, in Ontario, the prairies and British Columbia, to demonstrate just how profitable farming is with present costs. I realize that in the past experimental farms have been chiefly concerned with the development of new varieties in a good many fields, and that service has been helpful. Up until now we have not had direct assistance in demonstrating how profitable it is to go into hog production, cattle production or wheat production. It would appear to me that now, when nearly everybody else expects a 40-hour week, the Department of Agriculture should set up some experimental farms and pay reasonable wages on a 40-hour week basis, and demonstrate over a period of five years just how profitable this business of cultivating the land and producing food for the nation can be. Would the minister indicate whether he has considered that proposal, and would be disposed to use some of this appropriation for that purpose.

**Mr. Gardiner:** Mr. Chairman, we have 228 illustration stations across Canada, some in all the provinces. We have a number of experimental farms, some in each province. I believe there are four in Saskatchewan and four in Alberta, and others across the country.

It has been argued on the floor of the house—and there is no use my saying it has not been considered, because before I was in the government, some years before, I sat in the gallery and listened to a discussion on the floor of the house in which members were saying that the government of that day should make those experimental farms pay.

I believe, in principle, that any member would give the same answer to that question as was given on the floor of the house at that time, namely, that if you are going to carry on experimental work you defeat the very purpose of the operation as a farm if you pay attention to trying to make it pay. You might try to keep down the cost of carrying out experiments, and that sort of thing, to the point where it would not cost too much. But to try to make it pay a profit would be most difficult.

In connection with our 228 illustration stations our procedure is this: As a rule we go on the farm of a farmer in a district who is known to be a particularly good one. Perhaps in a hundred cases out of a hundred he makes his farm pay. That is, he is known to be able to make his farm pay in the district where he lives—because he is that type of farmer. We go to his farm and rent some of his land. We ask him to do certain things on the land in order to indicate to people the results of experiments we have carried on at the experimental farm.

We have the farmer sow a certain variety of grain, perhaps, and then at a certain season, after the grain has matured, we invite all the people in to see it. Our cereals man would be there—if a cereal were involved—or, if it were livestock, our livestock man would be there. One of those men would go to the farm and invite the neighbouring farmers to come in. He would lecture them right alongside the plot, showing them how everything is done to get certain results. The farmer who has visited the plot will take back home with him the knowledge he has gained from that visit and will apply it in order to help him on his own farm, so as to make it pay.

But I am afraid that if we were to try to demonstrate that we were making a profit from the 10 acres, 20 acres or even 50 acres of which we get control, as part of a farming operation, we might have difficulty.

[Mr. Nicholson.]

I might say in this connection that I had a suggestion made to me one time in Alberta—and I shall not use any names in what I have to say. I was travelling on a train with a certain gentleman who said, "The farmers in Alberta do not like the oil development on their farms." He was one of the oil men himself, and made the suggestion that probably the oil people might be able to gain a little more favour with the farmers if they were to select some of the most successful farmers in the district and help them to demonstrate ways and means in which they had made their farming operations successful.

I must say my reply to that gentleman was that that was exactly what we were trying to do in our illustration stations. I did not know just how it would be looked upon by the farmers themselves, if the oil people were doing it, and my reply was that they would have to find that out. My own view is that the weakness in the system, even as we apply it, is that some people find it difficult to agree that the other fellow is doing a better job than they are. And to the extent that that is true, it is sometimes difficult to have your suggestions applied. Generally speaking, however, it has been pretty successful across Canada, and I do not know that we would want to change it.

**Mr. Nicholson:** Mr. Chairman, I do not suggest in any way that what is being done should be discontinued. I think that any effort to make an experimental farm pay, when research work is being undertaken, would be very difficult. But with a fairly large vote, and with an economics branch in the minister's department, I think that department could demonstrate on a half section or a quarter section basis how mixed farming might be undertaken or conducted over a five-year or ten-year period. Profits and losses could be set out carefully, so that people would know exactly what went into the operation by way of land, interest, taxes, wages and the like, so that at the end of the year there would be a balance sheet to indicate how profitable or unprofitable the operation had been.

**Mr. Gardiner:** That was done in Saskatchewan. Perhaps I could refer to it, because it does not concern either the government there now or the government of which I was a member when I was there. It was done when the Anderson coalition government held office in Saskatchewan. They selected a number of farms over Saskatchewan, one of which I remember was near Lockwood. I remember it very well, because I was teaching school there when they were homesteading. The land was of a type which, when broken up, would grow some of the finest crops for

two or three years that could be grown anywhere. But it turned out to be comparatively light ground.

The objective they had in going there and buying that farm, one which for three years had paid very well and then had run into financial difficulties, was to see if it could be operated in a way which would make it profitable. I am not sure what is being done on that farm now, but I think most people were convinced that that land could not be operated profitably. Probably it was a good thing to prove that fact. However, there may be less expensive ways of proving it than that—I do not know.

**Mr. Cardiff:** Two years ago I had occasion to visit the experimental farm at Ottawa. Looking at some of the pigs they had out there I must say I do not think I ever saw worse pigs in my life. Perhaps they were experimenting with them, but the impression I got when I left was a very poor one, and I am sure other people who visited there must have gained the same impression. I have not visited the experimental farm for a year or so, but I hope they have a better class of pigs out there now to show the people.

**Mr. Gardiner:** Of course my hon. friend understands that some years ago it was thought by some members that we should import Landrace hogs, and try them out on the farm. We did that. After they had been there for some time and it had been demonstrated there was no advantage in them over the Yorks, an attempt was made at crossing them. We got certain results by doing that. Then, too, the Chester white was brought there for similar purposes, and there has been a crossing of those. I agree the results we have had are not too good. But it is not doing any harm to anyone, and proof has been found that what some people thought might be helpful was not helpful, and it is being done away with to a certain extent.

**Mr. Cardiff:** It left a very poor impression on visitors, who say, "Those pigs around there!" Anyone who knew anything about pigs certainly would not have them on his place.

**Mr. Deslieres:** The minister has said that there are 228 illustration stations throughout the country. Has the department given consideration to the erection of such a station in the eastern townships, particularly in the constituency of Brome-Missisquoi?

**Mr. Gardiner:** There do not appear to be any in that county. There is one at Compton. There are some near to it, but none in the county.



**Mr. Deslieres:** There is no question that there should be one. Is the department taking into consideration the erection of such a station in that county?

**Mr. Gardiner:** There is an experimental farm at Lennoxville, of course, which is not so far away, and there is this illustration station at Compton, and there are some others. The question arises as to whether there is a different type of soil located in other areas over a large enough area that would require another station there. That is the real point.

**Mr. McCullough (Moose Mountain):** I join with the hon. member for Mackenzie and the minister himself in their lauding of the beauty of our experimental farm at Ottawa. It certainly is a pleasure and a thrill to go through the grounds over there. However, about two weeks ago I had occasion to visit the farm with one other hon. member. While we were not fortunate enough to see some of the officials there, we went through some of the buildings and saw the hogs they have at the experimental farm. I do not want to be too critical but in looking over the hogs it seemed to me that they would not give one an incentive to go into the production of hogs. The condition of the hogs was very bad. I wonder whether there is a reason for that. Were these hogs being specially fed in an effort to determine something in respect to formula feeding, or is there some other reason for it? This is something that should be looked into. Certainly there was every indication that there was something wrong with the production of hogs over there.

**Mr. Gardiner:** It will be recalled that some years ago some of us had black hogs, some had red hogs, some had white hogs and so on. I have just forgotten the year when the department undertook to produce one type of hog across this country that would produce a type of bacon that would be satisfactory to Britain.

**Mr. McCullough (Moose Mountain):** If I might interject, I may not have made myself clear. I am not referring to breed. I am referring to physical condition.

**Mr. Gardiner:** I am coming to that, too. Our real work on the farms for many years was developing this type of hog that we now have right across the country. You will scarcely ever see a hog on a farm today that is not a white York. The white York is a different type.

**Mr. Harkness:** Every Tamworth breeder will be down your neck.

**Mr. Gardiner:** You may have the odd Tamworth because you think that his nose is not the same as the York, but most of the

people have Yorks. These were bred by our experimental staffs on the experimental farms to begin with, and then they were spread all over the country until today we have them everywhere. To come back to the hon. member's point, he says there is nothing there to encourage him to start to raise the particular kind of hog that is there. Well, the particular reason for that is that we have got to a different stage in the experimental work. We are now examining to find out whether cross-breeding will result in a better type of hog than we have at the present time, and that work is being done at the experimental farm here, and on the farm at Lacombe in Alberta. They are trying to cross-breed; they are trying to inbreed them, and as every breeder of stock knows, sometimes you get bad results in inbreeding and sometimes you get an improved line by inbreeding. So far as the hogs are concerned, apparently it is not doing as well as it does in some other types of livestock, cattle for example. That is being found out and as it is being found out, people are being warned against that kind of thing. We do this much better at the experimental farm. We find out the weaknesses as well as the strong points, and that should indicate to farmers what they should not do as well as what they should do. Therefore you will find there some hogs that have been the result of that kind of experimenting that would not encourage the hon. member or any other farmer to get that particular breed for their farms.

**Mr. McCullough (Moose Mountain):** May I be permitted to ask the minister another question in line with the answer I have just received? This question has to do with dwarfism in certain cattle breeds. Is the department doing anything to investigate methods by which that might be controlled or eradicated in the production of beef cattle?

**Mr. Gardiner:** Yes, we are doing some investigations on how that can be eliminated and prevented from showing up in herds. I cannot say that I have anything very much to report at the moment. Progeny tests are the means by which it is done.

**Mr. Herridge:** Under this item I want briefly to bring to the minister's attention the excellent work being done by the Summerland experimental station which has been operating for many years and has been of great value to the fruit farmers, farmers and livestock people, vegetable growers and so on in the interior of British Columbia. That work is very much appreciated by all the farm organizations, farmers and fruit growers in this area. The Okanagan conditions are dry land conditions, and are very much similar to those in the North Columbia valley in East Kootenay. I want to bring to the minister's attention the fact that in Kootenay West there are different climatic conditions. The minister would know what I was speaking of if I referred to Kootenay West as the Garden of Eden. We have a great variety there, greater rainfall conditions, and they vary over a few miles. Well, the results that have been obtained at Summerland with respect to certain fruits, livestock, legumes and things of that sort are applicable over a wide area. Some of the results cannot be used in Kootenay West because of the different climatic conditions. At the request of the farmers' organizations and fruit organizations in the district I am going to ask the minister whether he would establish two or three illustration stations. I understand they are quite inexpensive. For instance, one in Inonoaklin valley, which is a dairying valley, some twelve or fifteen miles long, for the dairymen in that area, and one say in the Lardeau valley, which is new country opening up, and one in the Kootenay lake area, dealing particularly with fruit-growing conditions, would be of great help.

In recent years newcomers have come into the area, and it is the old story of history being re-lived. They have been spending their time clearing and developing small farms and planting the wrong varieties, and doing the things that should not be done, and they are doing it because they have not the experience and have not taken advice. If there were two or three illustration stations of that sort, particularly in those districts where climatic conditions vary so much in a few miles, it would help the farmers greatly.

In addition to that, while the Summerland experimental station is a beautiful place to visit, large numbers of people cannot travel great distances through the country. It is very awkward. A few illustration stations well located and well advertised could be the centre around which the local farmers' institutes and farmers' organizations could have their annual events, and so on, particularly their summer events. I do ask the minister and his officials to give consideration to my suggestion.

**Mr. Gardiner:** I understand there are 23 illustration stations in British Columbia. There is one at Creston, with which I know my hon. friend will be familiar, though it is slightly different from the regular illustration station. I have been there myself and I must say it is doing particularly good work. But British Columbia is a little different

from the other areas about which I have been speaking. Take the prairies, for example. It is very much a matter of difference in the soil and that is the situation we face in British Columbia. You have a mountain range on one side and the soil condition on one side may well be the same as on the other side. But the fact that you have a mountain range on the west side and a range on the other side makes quite a difference and there is always the necessity for different treatment within limited areas. But we have been giving consideration to the possibilities mentioned and will continue to do so.

**Mr. MacLean:** Mr. Chairman, at this moment I would like to take a little time to express as a farmer my appreciation and I think the appreciation of all farmers, certainly within my own province, of the excellent liaison maintained between the practising farmers and the officials of the minister's department, especially in the science service division and experimental farm service. I know that in my own province at least the men who are responsible for carrying out the program of the department are men who have devoted their life's work to the betterment of agricultural conditions, and it is not an exaggeration to say that they are men who are dedicated to their profession. I think it is only fair that I should add this word in appreciation of the fine work they are doing.

A few moments ago mention was made of the fact that considerable work has been done with regard to the development of an improved type of bacon hog all across the country, and much outstanding work has been done in that regard in my own province. If I were to pick out any one in particular I could think of one man who has done excellent work in that connection and, one might say, given his life to the improvement of the type of bacon hog which is produced in Canada. He has also done extensive work on the question of advanced registry and developments related thereto with the result that in my own province the number of hogs graded "select" is much higher than in any other province of Canada. That is just an indication of what can be done through the devoted efforts of one man.

I want to support what other members have said with regard to retaining the experimental farm. I know the minister will strongly resist any move which might develop to have that beautiful and worth-while experimental farm subdivided for building or anything of that sort. I think it would be a tragic loss not only to the city of Ottawa but to the agricultural industry generally and to the many people who benefit through having an opportunity to visit the farm out there.

While I am on my feet I would like to ask the minister what attention has been given to experimentation with regard to the adaptability of certain breeds of cattle and other farm animals to this country, especially with regard to those which have not already been generally introduced here. I am thinking of breeds of cattle which are foreign to us. Although it may be said that the British breeds of cattle are excellent, nevertheless there is a possibility that certain characteristics existing in cattle in other countries, and I am thinking especially of the Brahman cattle, may be crossed with the British breeds for certain purposes, and also with some French breeds of cattle such as the Charolaise.

**Mr. Gardiner:** In answer to the point the hon. member has raised I might just say that we are doing a little work on that at our farm in southern Alberta with Brahman cattle and crossing them with some other breed. I do not know whether that is done with the object of getting better breeds or for producing steers to fight at the stampede but in any event we are doing work with that breed of cattle.

I might say that when I was over in Europe last year at the FAO conference I was very much surprised to see one of the largest animals I have ever seen in the way of cattle in the old white breed they had in Roman days. They still have them there and they are very big cattle. They also have a brown type of cattle which came down from the north. I saw both of them, and both are very large animals, though I do not know if they would help our breeds here if we crossed them. I think, though, it would be a worth-while experiment.

Item agreed to.

Branch experimental farms, substations and illustration stations—

*19.* Operation and maintenance, $6,351,995.

**Mr. McIvor:** Mr. Chairman, I would just like to pay my tribute to the superintendent of our substation at Fort William. That station is attracting more interest every year and this man not only runs the substation with great benefit to the community but he is also an expert in other fields and his services are much in demand by the community as a whole. He is very helpful and very patient and very considerate to all those who want to benefit from his advice. He experiments in grains, grasses, fruits and vegetables with great success.

Item agreed to.

Production service—

21. Production service administration, $84,843.

**Mr. Blackmore:** Mr. Chairman, I spoke some time ago about the desirability of discussing two important matters. I presume this would be the item under which they could best be discussed. People from coast to coast in Canada today are wondering what is going to happen to agriculture unless something is done to regulate the amount we produce.

We are spending great sums of money through the Colombo plan and the United States point four program and through other agencies in fitting other nations to produce their own foodstuffs. That is the objective at which we aim. We say that if we can just get into India, Burma, Pakistan, the African countries, and other countries all over the world and assist them in producing their own needs then we shall not have to worry about supporting them. But we have overlooked this important fact: Once we have them producing all their own needs, or a major portion of them, they will have little need for our production. The result will be that we will have more difficulty in finding foreign markets for our own production.

Now, I am wondering, presuming matters develop in a normal sort of way, whether the minister has a policy or is formulating a policy in accordance with which we would be able to introduce—I do not like the word "limit", and I do not like the word "regulate", because both those words connote a certain amount of telling people what they should or should not do—but some sort of modification of our production so as to take some precaution to see that we do not produce too much more than we ourselves can consume or sell abroad, and, along the same line, probably changing our wheat production or a certain amount of it to the production of oats, barley, rye and other commodities for which we might have a good market. As I read the news, we have no difficulty in disposing of our oats and barley but we are faced with disaster if things go in the right direction, or rather in the wrong direction, in respect of our wheat. If we could manage so that we could produce more oats and more barley and less wheat, probably we might be better off. I believe I have said sufficient to indicate what is in my mind, namely the matter of regulating production so as not to produce more than we can use and can sell, beyond a certain limit, at least.

Along with that question goes this one. Are we planning to save up supplies of non-perishable goods? By that I mean goods that are non-perishable within limits, of course. Roosevelt used to talk a good deal about an ever-normal granary. He had a good idea, I think, in times like these. Are we planning in such a way that, in case disaster were to strike us—which it could easily do, as everyone knows—we would have in store in safe places all the oats, barley, rye, flax, mustard seed and various other kinds of seed that we would normally use, all the wheat we would normally use for a considerable length of time, as well as all the honey, sugar, soya beans, corn, peas and all that sort of thing, all of which we could so easily store?

Of course I do not wish to be an alarmist any more than does any other hon. member of this committee. But we might just as well face possibilities. There are plenty of indications that the Russians have the cobalt bomb. All hon. members know that if the cobalt bomb were used there would be little production of anything for a considerable period of time after its employment. As the minister can quite readily see, what I am wondering about is whether or not he is drafting a plan—along with the provinces, of course—under which we could preserve a considerable amount of these commodities.

As the minister and hon. members of the committee know, I gave a speech on November 17 in which I proposed that we institute an arrangement by which we would establish storage facilities on the farm—storage facilities that were acceptable and approved—under which the farmers could store their excess wheat, receive payment for that wheat stored in those facilities and be paid storage on the grain in those storage facilities just as the grain would have storage paid on it if it were in an elevator.

If we would make that sort of arrangement, I am quite positive that we could store with perfect ease on our farms all the wheat we have and that we could pay for that wheat so that the farmers would be able to carry on. Then we would have no pressure for selling abroad, something which is likely to drive governments, and people too, into a sort of panic.

While we are talking about wheat, may I say that I fail to see how we could store anything of greater intrinsic value than wheat. It seems to me that a nation which had its full wheat supplies for seven or eight years stored up in safe places would be in a most fortunate position. The wheat so stored would not be on the open market at all. It would be recognized that it is bought and paid for and that it is not for sale on fire-sale terms. To illustrate the value of such a thing as that, all we have to do is to refer to the way in which our wheat board has managed

large wheat supplies with great skill and judgment in times past. We have had vast accumulations of wheat in times past, as in 1943 and 1944, and those accumulations worried us. But the wheat board just held on until, by and by, conditions arose which used all that wheat. I fail to see why we would be doing an imprudent thing if we looked upon our wheat supplies in some such way at the present time. But as the minister well knows, if we have to rely on the big elevator companies to provide the storage for that wheat, we are going to oblige the elevator companies to build far more elevator capacity than they would be able to use under ordinary circumstances, and consequently incur an overhead which would constitute a serious liability. But if the farmers were building bins on their farms, there would not be the overhead, the need for the high degree of insurance, or the obsolescence that will be noticeable in the elevators. In those and many other ways this kind of instrument would not constitute an overhead that would threaten to impair our economic position.

That is the way I see it, and no matter how carefully I examine it nor from how many angles I look at it, the whole concept looks to me to be worthy of serious consideration. If we had similar means whereby we could store all the oats, barley, rye, flax, soya beans, sugar, honey and the other things which we could store in this country, we could then in adequate measure divert our attention from the production of wheat to the production of these other commodities, could store several years' supply of those commodities and thus would be so much the more in a safe position in respect of supply.

I just wonder what the minister has been thinking along this line. Of course, he would not take any measures of this kind without careful consultation with all the provincial governments. Any move to modify crops, plantings and so forth would be made entirely with their understanding and through their agencies among the people in the provinces so that we would work this thing out without anything like dictatorship or telling people what to do. It looks to me as though we would certainly be much safer in following a line of producing a wide variety of commodities and of storing them than we would be by running a risky business such as that which we quite obviously have been running in respect of wheat.

The question will arise as to how we can pay for all this. People will say this: You see what is happening in the United States. The Americans have a vast supply of goods which it is beginning to cost them so much to maintain that they are trying to get out from under the cost; hence they are beginning to force their way into the world markets and they will probably wreck the whole of the world's markets.

I do not wish to enter into a prolonged or detailed discussion of this matter but I would just make this point. If we go down to the United States and see what their constitution tells them they can do, we will realize immediately that if use were made of the constitutional power which is given to congress by the constitution, there would be no difficulty whatsoever. Their constitution says specifically that congress shall coin money and determine the value thereof. There have been presidents of the United States who have used that power. One of them was Abraham Lincoln. If the United States would use that power today to pay for the wheat, to pay for the storage and the storage facilities with money out of the national credit they would immediately get out from under the grievous weight of the burden of supporting their great surpluses.

Looking at it in a very general sort of way, it does seem clear that the United States, with all her tremendous industrial potential and her vast wealth, should be able to store wheat as well as Joseph did in Egypt for seven years. It would be hard to give a reasonable explanation why what the Egyptians could do in Joseph's time could not be done by the United States today, and so with Canada.

While I am on the matter, may I say that the same power to create money is in the hands of the parliament of Canada and was used under the finance acts of 1914 and 1923, as I have outlined in speeches on the floor of the house much to the annoyance of a great many of my colleagues, I know, but nevertheless probably containing the germ of a solution to a problem which to them at the present time is utterly unsolvable, using the orthodox economic system under which we now operate.

May I ask the minister if he would tell us what he has in the way of plans as regards policies for the regulation of the production of this nation and for the storing of goods for this nation in preparation for any time of grave peril.

Before I take my seat may I draw this to the attention of hon. members. They have all thought about it many times and in thinking about it they have been filled with dread and have turned away from it. Suppose an atomic war should be waged in Europe and terrible destruction of supplies resulted in Africa and other places. Think of the tremendous need there would be for the food

which we have now and can store. We could probably save the lives of millions if we could only make use of the blessings God has given us by abundant crops in the last three or four years. Now that I have said all that, the minister might talk for a while and tell us what he has in mind for modifying the production of crops, what he has done and thinks can be done, what he contemplates and what he has in mind for the storing of crops.

**Mr. Gardiner:** Mr. Chairman, I rather hesitate to say again what I have said every year, I think, since 1939. We have had a plan all the time. The trouble is that some planners do not regard it as a plan with which they can agree. When I came here nineteen years ago and took this position I was told by Britain that we could not produce enough bacon to feed Britain, that we could not produce enough dairy products and other things to supply that market, and that therefore they were going to get them somewhere else. That, in a few words, is what we were told back in 1936. The war came in 1939 and we established a plan under which we set out to prove to the British that we could produce the food and, as every member of the house knows, by 1943 we were producing 700 million pounds of bacon for Britain, 85 per cent of all they were consuming. Then they took the trouble to send a man over here to say after the war was over they had to go back to the old method of dealing.

If hon. members do not realize that the government did something about that, well, I feel sorry for them. We held a meeting in the first week of December of every year, and we are still holding it, to indicate to farmers the things that they might produce to advantage in this country. Immediately after that statement was made by the British we communicated it to that meeting in December and suggested that we were not going to be able to sell so many hogs after the war was over and we were not going to be able to sell dairy products in the same quantities.

We did not have to do any more than tell the farmers that. We did not have to tell them what to do about it. They did the job themselves, and it has been done year by year until by the time we got into the position where Britain would not take our bacon we were not worried whether or not they did. That was not just done by nobody doing anything about it. The gentleman who is sitting here at the table has been the chairman of all these meetings except the last one, and on that occasion he was sick. I should not say he was sick, but he went out and tried to do something that a man of his age probably should not do and he was under the weather for a few days and was not able to be there. Nevertheless we held that meeting and discussed the whole question again, and the result is to be found largely in figures which I have here. I will only use two sets of them, cattle and hogs.

I will not go back too far, just to 1939, the year the war started. Net marketings of cattle were 1,026,000 and the domestic disappearance was 986,000 and exports 218,000. The price at Toronto was $6.77 a hundred or 6·7 cents a pound. Then I will take the year to which I referred, 1943. We marketed 1,072,000 cattle, not very many more, and the domestic disappearance was 1,006,000 and exports were only 90,000. Coming down to 1953, net marketings were 1,546,000, or 50 per cent more than they were in the last year I gave, but domestic disappearance was 1,470,000. You will note that in 1943 it was 1,006,000. In 1953 it was 1,470,000, or almost 500,000 more were consumed by the people of this country.

The other part of the plan was to make it possible for them to buy and consume. To mention only two aspects of that part of the plan, there was the extension of old age pensions and the payment of family allowances to every family in the country at an average rate of $30 a month. The purpose was to make it possible for people to eat our farm products. In addition, wage increases made it possible for considerably greater consumption.

What was stated by someone a little while ago is quite true. Of course there are more people in the country now than there were then. That also helps, but the whole thing was part of a plan to have production equal consumption or, to put it the other way, to have consumption equal production, and it almost does. Exports of cattle in 1953 were only 123,000 head, with 50 per cent more cattle. In 1939 we exported 218,000 head before the war started at all. In 1944 we exported 280,000 head, in 1948 732,000 head and last year only 123,000 head. There are no surplus beef cattle in this country, and there is no surplus beef in this country. The plan worked out in so far as beef was concerned, as is illustrated by these figures.

Now, coming to hogs, I said a few minutes ago we had a very high production in 1943. The inspected slaughterings of hogs back in 1939 was 3,793,000 head; coming down to 1943, it was 7,174,000; and in 1944, it was 8,766,000. Now, that is the year our friends came here and told us they were not going to be able to take our hogs in the years after the war. They did not tell us we had better do something about it. We knew we had

better do something about it, so by the year 1949 the inspected slaughterings were down to 4,099,000. In 1952 they were back up to 6,234,000 and this last year they numbered 4,611,000.

In so far as consumption is concerned, may I say that in 1939 it was 2,302,000 head; 1943, 2,778,000; 1953, 4,314,000. These figures show that this country consumed twice as much as we were consuming, or practically twice as much as we were consuming back in 1939. All of this was part of a plan. In 1939 hogs were selling at $11.88, and in 1953 they are $30.40. This illustrates what the plan was, or at least it illustrates how it worked.

**An hon. Member:** Did you have a plan in 1939?

**Mr. Gardiner:** Certainly, we had a plan in 1939, and because my hon. friend did not think it was a plan he did not come back after the next election. I would suggest he follow the plan this time. Those are the facts with regard to two of the most important products. We could go through the others and come to similar conclusions in regard to those. We have a plan, and the plan has been working ever since 1935 when we first came here as a government. It has developed from that up to the point where it has brought production up to where it is today, that is the production of all commodities of which we can dispose either at home or somewhere else. There are people here who say that we depended on the United States market. We do not sell any hogs or hardly any in the United States market. We sell a few cattle in the United States market, but we are not selling anything like the number we did a few years ago. We sold over 500,000 a few years ago, and last year there were 123,000 sold outside of Canada.

Now, that is the plan, and the plan is working. In so far as storage is concerned, we have been encouraging the building of cold storages across Canada. Away back at the beginning of the century, we started to subsidize the building of cold storages. When I came here in 1935, I was told we ought to stop that policy. This idea got into the minds of people because the production in Canada was not sufficient to utilize the cold storage facilities we had. We had almost been convinced we ought to stop it when the war came along. Since the war, and while the war was on, means were developed of making use of the cold storage facilities such as the world never dreamed of before in connection with frozen products. Now, instead of starting to slow up that policy, since the war we have been stepping it up. Two years ago we changed the policy from a support of 30 per cent of the cost of cold storage spread over four years to a 33 per cent payment in full the year the plant is built. We are, therefore, getting more and more cold storage facilities right across this country.

Well, now, that is the system of storage that has been provided for our perishable products. When we come to the non-perishable, I am in complete agreement with my hon. friend when he suggests that we farmers would be better off if we had enough storage on our own farms to store all our own grain. Personally, I believe that the most expensive way of storing grain is in a company's elevator. Because I believe that, I have enough storage space on my own farm to store all my own grain. I do not put it into the elevator until I am going to sell it. It is not a matter of paying for storage in an elevator. There are many other farmers in western Canada who follow that practice. The trouble is that many of the people who talk about this problem are the people who have not any grain to sell and never did sell any. Those of us who produce grain on our farms know what we are going to do with it, and know where to store that grain and how to look after it.

For example, a short time ago somebody started to say that we ought to have a battle with the United States over oats. I believe that the last thing in the world we ought to start a battle over with anybody is oats. In this country we cannot feed livestock without oats. There are other countries where you can, but it is an entirely different thing from feeding barley and wheat. If you feed barley and wheat, you have to have about as much oats to feed as you feed of those two grains in order to keep your stock alive while you are fattening them. The best practice to follow in western Canada is a practice I learned about the third year I was in the west. I went out in 1901 to help harvest the crop in the fall of 1901. In the summer of 1904, I helped a man for whom I was working build a barn. When we got the barn all built, and it was 84 feet long, he put a bin 16 feet wide right up the whole length of the barn.

Naturally, I said to him, "What are you going to do with that"? He said, "We have a good crop of oats this year, and I am going to fill the bin full from one end to the other." He did. I was back there in 1934 to visit the people on that farm, and they told me that was the first year that the bin had ever been empty. He used it, from one end down to the middle, to feed stock, and the next year he started from the other end and worked down to the middle. He always had a year's supply of feed oats in that bin right

down to this period during which we had crop failure. Well, that is the only way to farm in western Canada. It is the only way to feed.

When I was out west last week I saw an item in the newspaper inserted by some people. I presume some of the members in the opposition would say it was inserted by someone on instructions from this government. It was not. The item said that there is not enough oats coming into Fort William, and we want more. I got right up on the platform and said any farmer who would ship oats out of Saskatchewan now either to Fort William or anywhere else does not know what good farming is, if he is feeding any livestock. Any farmer who kept oats down to this time of year kept the oats because he believed he needed them for feed. If he shipped them out now, and what could happen to our crop between now and the time it is harvested happened, that fellow would be without oats. Without oats he cannot feed even this wheat that is piled up there and part of which could be used for feed. These are some of the facts in connection with carrying on agriculture in this country.

We hear talk about what some other country ought to do. Certainly it is necessary for us to go down to Washington from time to time to talk to them. Certainly it is necessary for them to come up here from time to time to talk to us. The United States Secretary of Agriculture came up here one year and the Minister of Trade and Commerce and I met him. We were having a terrible row about our potatoes going down into the United States. When the secretary was here I said to him, "Why, you are getting many potatoes down there from Canada; we are getting many from you." He looked surprised and said, "Is that true?" I said, "Yes." He said, "Can you give me the figures?" I said, "Yes." "Well", he said, "I'll guarantee you when I take these back and give them to the senators who have been talking about it, and show them that they did not know what they were talking about, you will not hear any more about it." And we did not hear anything more about it that year.

And so I say again in connection with these matters such as oats, and wheat we can send down to the United States, as well as what they can send up here, that we have got to get together on this subject and talk about it, get them to understand our position, and get to understand their position. Then the question of storage, the means of financing, the price we are going to get for the commodity and everything else will be on a better level than if we had not discussed it with them.

[Mr. Gardiner.]

I think we have had a plan which has worked out very well, and we are in a position today where we have not surpluses such as are being talked about on the other side of the house. We do have one surplus in wheat; and the reason things have come along in the way in which they have is that we believe you can store wheat to better advantage than you can store any other agricultural product. So if we have wheat in greater quantities than we need it in Canada or greater quantities than the world needs it at the present time, it is one commodity that you can put behind an inch board and pile it up as high as you like, and it will stay there in good condition for ten years or more. They tell us it stayed in the pyramids from the time they were built until now, and that you can take wheat out from there, plant it, and it will grow. If that is true, then it is one product you can bank on when you are talking about storage. And I agree with hon. members that if we can get the storage on our farms and elsewhere it will help everybody to carry on.

**Mr. Blackmore:** I think we have profited a great deal from having the minister announce on the record that he agrees we should have wheat stored on the farms. The minister knows, of course, as everybody else in the house knows, that there was just one flaw—

**Mr. Gardiner:** There is only one word in what the hon. member has said that I would not use. I would not say they "should"; I think it would be to their best advantage if they did.

**Mr. Blackmore:** There is one flaw in the illustration—and it was an excellent illustration—in that the man who was operating the farm and storing the oats evidently was not dependent upon the immediate sale of those oats to provide him with the money to finance his next year's operations. He was probably dealing in livestock and selling it as a cash crop, or probably he was producing butter or cheese or some other commodity from which he was getting money he needed to carry on.

Of course the minister knows as well as I do that the big difficulty out in the west now, particularly in my area, is that no matter how much wheat they have stored on the farm—even behind inch boards—it is tied up until they can sell enough wheat to get the money for next year's operations. If the minister can tell us what solution he has for that problem, then I can assure him that many of the farmers in my area would cheer as soon as they heard the news.

As I have said, there are a great number of farmers in my area who have plenty of

wheat to enable them to pay off all their bills and finance their operations; but some of the saddest stories I have ever read are coming to me in letters from men who have done their very best. These are right good men who have wheat they cannot sell. They cannot borrow money on it; not enough to carry through beyond just getting their grain in. One writes me that he has exhausted—

**Mr. Gardiner:** May I say at once that the reason I did not deal with that subject is that it is not under my department, at all. We have already discussed that question for two days, and come to some conclusion about it. I do not think under the rules of the house it is proper for us to discuss it under these items.

**Mr. Blackmore:** I do not propose to violate the rules. But the simple fact is that the conclusion we came to through those days of discussion was just simply pathetic; it just left the farmers, the wheat producers of Canada, right out on a limb, with the possibility of stark ruin facing them. The minister knows that, and I do not propose to enter into a discussion about it.

The reduction of 10⅛ cents constituted practically the total profit on the production of the wheat farmers now have, which means that all their work for two years or so has been at a loss. I can understand the minister's reticence to enter into a debate on this matter. However, although the matter does not come under his jurisdiction, may I say it comes under the jurisdiction of the government of which he forms a part, and in which he must have a potent voice. So we will leave it there.

**Mr. McCullough (Moose Mountain):** Earlier I asked the minister a question with respect to the production and distribution of Selkirk wheat. I have had complaints in connection with the distribution of it. Would the minister explain how it was produced, how many applicants received some of the wheat, and whether any of it went to the United States.

**Mr. Gardiner:** As hon. members know, Selkirk wheat is a wheat which was produced in the last few years to offset the new rust which has come into being, starting down in South America and moving north, until it has now come part way across the United States, and we even had some of it last year in Manitoba and Saskatchewan. To answer the first question, the wheat was produced by taking a sample which an elderly gentleman had produced in Manitoba, a gentleman for whom we provided a gratuity this year. It was produced in one of those accidental ways in which men of that type get certain varieties of cereals. We crossed it with other plants until we got what is known as Selkirk wheat. When that was developed we took some of it down to California and increased the quantity of it by growing it in what are our winter months so that during the succeeding season we had a very considerable amount of this wheat which we otherwise would not have had. Then we brought it back to this country and distributed it among people who had been accustomed to enlarging the quantity of wheat, so many bushels to each one, and also we sowed quite a bit of it on the lands that we are putting under irrigation out in Alberta, at Bow River and elsewhere. We grew the wheat there; we grew it at the experimental farm and elsewhere until we had a considerable amount. Then we distributed it this year to persons who desired to get it and who after they were checked were found to be people who could handle a quantity. We gave them six bushels each and they are now attempting to produce wheat which they themselves can use in succeeding seasons as seed wheat.

**Mr. McCullough (Moose Mountain):** This wheat was given only to registered or certified seed growers, is that correct?

**Mr. Gardiner:** Yes, that was what was done in practically every case. There may have been some few cases of persons who got it who had not been producing certified seed, but very few, if any. The wheat was given out, so far as possible, to the persons that the hon. member has indicated. They are now producing and they will not only supply themselves, but they will supply neighbours and others. A check will be kept on what is done with the wheat and where it goes, and it will be distributed over the west. It is hoped that there will be a considerable amount of that wheat produced next year.

**Mr. McCullough (Moose Mountain):** Can the minister tell us why there was a delay in the delivery? In some cases it was after the normal seeding time before some farmers received it.

**Mr. Gardiner:** There may be some cases but I really never heard that complaint at any time. I can hardly understand why that would be a complaint this year, because the great complaint out west is that the farmers did not get their crop in until about one month later than usual. Therefore I do not know how it could have done very much harm. Of course down in the section where my hon. friend is located it is just possible that they did get their crop earlier than they did in some other places, but most of them did not get it in until quite late.

Item agreed to.

Production service—
Health of animals —

24. Administration of Animal Contagious Diseases Act, and Meat and Canned Foods Act, $5,540,940.

**Mr. Nowlan:** There is a matter which I should like to draw to the attention of the minister on this item. It is a matter with which I have had some correspondence with his officials in the past, and as a result I have received some co-operation. I know that representations have been made by other organizations as well. It is true that this is a matter that affects a local area, but it is important enough to be brought up at this time. I am referring to a situation which was created in an Annapolis county. In that county some years ago, through negotiations which were entered into between farmers, the department of agriculture of the provincial government and this department, arrangements were made for Bang's disease eradication in that county. Probably a different arrangement was made from what had been made before. Perhaps it was one which the department entered into with some mental reservation, but the letter I have here from the deputy minister said that representations were made from the provincial government and they felt they should co-operate with what was a very well organized scheme. In other words, what happened was that all the individual farmers in that county were so well organized through public meetings at schoolhouses and every other organization was brought into play that we did achieve in that county what I am told is a hundred per cent eradication of Bang's disease, and that county was declared a disease-free area. I am told by the officials of the department that it was the only one in Canada that did achieve that distinction. That happened in the years 1948 and 1949.

Since then the department has decided that it was impossible or unwise to maintain this policy with respect to all of the farmers in the area, and it is being restricted, I believe, as a general principle, to farms on which there are ten or more in a herd. I can quite appreciate that in many cases that is perfectly all right, and it would sound reasonable to farmers in areas where large herds are maintained. I suppose that 60 per cent of the farmers in that county have fewer than ten head of cattle on their farms. Up until a year ago all of those people were boasting of the fact that they had a certificate such as I hold in my hand showing that they were in a Bang's disease-free area. I have a letter which I received this morning, and it is typical of what is going on throughout the country. This is a letter addressed to a certain farmer in the county; as a matter of fact, it is addressed to Mr. Robert E. Mason, and reads:

Dear Sir:

I am in receipt of a report covering the re-test of your herd under the—

And then there is a very long word which I would have great difficulty in pronouncing. I continue:

—Brucellosis policy of this division, and it is noted that your herd proved negative.

In other words, clear. The letter goes on:

Due to the fact that your herd contained less than ten head your certificate is being forwarded to Ottawa for cancellation.

That letter is going out to everyone who has fewer than ten cattle. A year ago they decided not to carry on the tests at all. Owing to representations, in which possibly I had a little part to play as well as others, the department is carrying on the tests this year. They are carrying on t.b. tests and Bang's disease tests together, but this is the last time in which they are going to do that. The farmers are being told that the whole situation will have to be changed, I suspect largely because of a shortage of veterinarians. I imagine, if the facts were known, that is the reason rather than as a matter of economy; but this was an agreement. Agreements were entered into between the farmers and the department. It is true that the department did not sign, but I have a copy of one here which was signed of one of the hundreds of thousands that were signed by the farmers throughout that county.

When you think of the tremendous amount of organization that went into that drive, and you can imagine how difficult it is to organize farmers, it is too bad that a change is being made. When you can organize rural districts of this sort and get a hundred per cent co-operation, such as was received down there, and get the assurance of the government that this program is going to be carried on, it is a great disappointment when a change is made. We are now told that the program will have to be dropped in so far as herds of fewer than ten cattle are concerned. I know that technical reasons can be given for that. I know the minister will say that we have calf vaccination and that there has been such a wide degree of acceptance of this policy that probably we are going to be in pretty good shape anyway. Certainly, that county is going to be in far better shape than before this program was initiated. The fact remains, as I say, that probably 60 per cent to 70 per cent of the farmers will lose the benefit of this. They

are losing the certificates which they have valued, and they have the feeling well, after all, this is an undertaking into which we entered with the government and now it is being broken.

And that is the frank summation of it all. If I am right in the information which I received from the department's officials, this was the one area in Canada where this situation was achieved and because of the tremendous degree of co-operation which was received and the great amount of hard work that was put into it, I wonder whether the minister cannot have the situation reviewed and have this policy which was inaugurated kept on for a while longer. The farmers have gone a long way to maintain this policy but now, as I understand it, the certificates are being picked up and they are being told that this is the end of it.

I would ask the minister to have this situation reviewed and see if it cannot be kept on for another two or three years, and by that time the situation will be so clarified that the farmers will accept this statement of the change in policy as one which would be fair and reasonable. I think this should be supported after the great deal of work which went into it during the years 1948-49.

**Mr. Gardiner:** I think the best thing I can do is just to read the directive to the district veterinarians and indicate the reasons why certain things have been done. This reads:

> At the conference of district veterinarians held in Ottawa from September 23 to 25, 1954, it was the opinion of all present that the conducting of annual retests on small herds was costly and time consuming.

I think perhaps the second reason is stronger than the first if the idea was to get over the initial difficulty and get the declaration made as soon as possible. It continues:

> Therefore, in accordance with the agreement reached, on and after November 1, 1952, a herd must contain a minimum of 10 head of cattle to be eligible for acceptance under the policy and that this number must be maintained at each subsequent annual retest.

That reason, of course, is tied up with the first covering cost and time consuming factors. And again:

> Owners whose herds at present are under the policy will be given one year from the next annual retest to meet the above requirements and must be advised by the divisional veterinarian conducting the retest who will make a notation to that effect. Herd owners who cannot comply will have their agreements and certificates cancelled. This will not apply to federal government owned herds or licensed artificial insemination units. Agreements covering jointly owned herds will be accepted.



In Nova Scotia where areas have been provincially established for brucellosis control by individual signed agreements and reactors' slaughter without compensation, the department will continue to conduct laboratory tests but will not provide federal veterinarians for collecting blood samples.

Now, I think it will be seen that the plan is not brought to an end but that federal government activity in connection with the provision of veterinarians is discontinued. I presume that has something to do with the way in which veterinarians operate in that particular province. I have some sympathy for what my hon. friend has said but since we have gone so far with it, and apparently it has worked so well, if anything can be done to see it is maintained at the present standard then it ought to be done.

**Mr. Nowlan:** I would just like to add one further word. In the first place the minister probably knows, and if he does not I would remind him that before the scheme was brought into effect one of the conditions the farmers had to accept was that they were to pay for three tests on their own by privately operating veterinary surgeons. The farmers accepted that and expended the money in good faith. It is true they got the results of these tests, but many of them would not have paid out that money for three separate inspections had they known this was to take place. But they had the three tests made and then called upon the departmental veterinary to make the fourth and final test. These farmers were therefore called upon to make a substantial investment in the scheme when they had not intended to do so, and they made that agreement in good faith with Her Majesty the Queen as represented by the right hon. gentleman sitting across the way, though I am quite sure, in view of what has taken place, it is not one with which he would wish to associate himself. I would point out too that when the minister quotes from the memo in which it was said that many of the farmers found it difficult to live up to the regulations that there is another clause of the regulations which was distributed to the farmers and which states:

> 8. The veterinary director general may in his discretion cancel a certificate issued under these regulations whenever he is of opinion that the holder thereof has violated any of the provisions of his agreement, the act or these regulations or has failed to comply with any directions made pursuant to these regulations.

Certainly if any of the farmers violated the agreement the certificate should be cancelled and I do not believe any of the farmers would object to that. But do not let us cancel them by saying that only a few of

them were able to comply with the regulations. That is evading the question to say the least. If you are going to cancel the scheme—and I trust the minister will give further consideration to this matter as he has done in the past on other matters—then I trust he will take a very careful look at some of these clauses. Before he closes the volume and says this book is lost, then I would ask him why these certificates should be cancelled simply because a man happens to have eight or nine head of cattle.

**Mr. Gardiner:** That was agreed to by all of them. I am not conversant with all the details.

**Mr. Nowlan:** That is not my information.

**Mr. Gardiner:** But they all know what the regulations were.

**Mr. Nowlan:** Not according to this.

**Mr. Gardiner:** That is what I am told.

**Mr. Nowlan:** That is the whole argument. This was entered into in good faith by all these farmers, but now we are told that because a man may have three or four head of cattle, the certificate is to be cancelled. We are told that because of the difficulty of administration a man must have 10 head of cattle. I wish to protest against this. These men are to lose this certificate in the same manner as other people might lose a licence, and they are to be sort of blacklisted. I suggest that a man who obtained this certificate in good faith should not have his certificate cancelled and I would ask the minister to give this the most careful consideration to see if there cannot be some amelioration of this situation.

**Mr. Gardiner:** I just wish to correct a statement I made earlier. I find on checking that it was our own officials who agreed to this, and the other people were not there at that time. I would say further that as my hon. friend has brought this matter to our attention we will give it every possible consideration. I have a good deal of sympathy for the question he has raised.

**Mr. Charlton:** I think even if there was an agreement entered into certainly you could not control brucellosis by eliminating the small herds in that county. It is quite ridiculous. If there was an agreement made with that county then I say along with the hon. member who has just spoken that it should be left up to them. I understood the minister to say these small herd owners would have their certificates sent back to them when they sent samples in. I take it these samples would have to be drawn by accredited veterinaries and they would pay the cost of drawing that sample and if they were sent in they would be tested free by the department. Just to have the samples sent in by anyone would certainly be, I think, a questionable practice.

**Mr. Yuill:** Mr. Chairman, on item 7 I asked the minister a certain question and I was asked to wait until this item came up. My question is what progress has been made in combating Bang's disease? I have some supplementary questions. Where does that research take place, and are there any statistics available to indicate what success has been achieved? While I am on my feet I would just like to include in that the question of another disease.

**Mr. Gardiner:** Mr. Chairman, we have been carrying on research work in connection with Bang's disease over at the animal diseases research institute at Hull ever since I have been here and indeed some time before that. That is for more than twenty years. One of the members—I do not know whether he wants to say anything about it himself or not—sent me down this note:

> My herd has been accredited since 1923, thirty-one years, and the stipulation at that time, 1923, was ten head including a bull.

So it has apparently been that way for a long time. It does not just apply to Nova Scotia but applies apparently quite generally. I just wanted to make that known.

**Mr. Charlton:** That is t.b. accreditation?

**Mr. Gardiner:** No. The hon. member keeps cattle and I think he understands the difference between Bang's disease and t.b. I am sure the member who sent me down the note understands the difference between Bang's disease and t.b. I would hope that he was speaking of Bang's disease when he said this. As far as the other matter is concerned, I think I have given the answer. Experiments are carried on over at the institute at Hull.

**Mr. Byrne:** I have a matter that I should like to bring to the attention of the minister. In the Roosville area of British Columbia there is a disease called vibriosis ravishing the breeding stock. I understand that the method of eradicating this disease is by either disposing of the sires or by artificial insemination. In range cattle this is quite a costly undertaking, inasmuch as the cattle are not confined as they would be in the dairy industry. The farmers are therefore finding great difficulty. While the provincial government has undertaken certain steps, representations have been made to me to the effect that there should be some contribution by the federal government in the way of grants or some similar assistance. Will the minister make some comment on this matter?

**Mr. Gardiner:** What is the disease?

**Mr. Byrne:** Vibriosis.

**Mr. Gardiner:** The health of animals division have a report on the condition which exists there. They say it is not a reportable disease and therefore not one that we have been dealing with directly. However they are keeping a check on it. If it begins to make great difficulty I presume that more attention will be paid to it. However I imagine that it will be done through representations from the provincial department. We help in every way we can in these matters having to do with disease; but the diseases that are not reportable are, in the first instance, the responsibility of the agriculture department in the province. If they call upon us for assistance they always get it.

**Mr. Charlton:** Now that the veterinary director general is sitting in front of the minister maybe he could tell us when the first listed herd certificate was granted in Canada.

**Mr. Gardiner:** The doctor tells me that it was back in about 1923—he has not the exact date here—when they had the first herd.

**The Chairman:** Shall the item carry?

**Mr. Macdonnell:** No. I want to ask the minister a question based on sessional paper No. 28-A. The question asked was this, and I think this item is as good a one as any other on which to raise the matter:

> In how many cases, giving department vote number, and total amount of money involved in each case, were executive orders issued in each of the fiscal years ending March 31, 1949, to March 31, 1954, inclusive, temporarily or otherwise, supplementing votes of money by parliament?

I have here, under the Department of Agriculture, under the various years, quite a number of items. I notice, for example, item 17 in the year 1951; that is production service. Then there is an item there of some $50,000. There is a whole list of items. It is about the principle that I want to ask. Let me make one further explanation. This answer gives, in the left-hand column, the number of the vote, then in the middle is given the amount and then in the right-hand column is given the number of the supplemental vote; the heading is "Supplemented by vote" and below are given the numbers of the supplemental votes. I want to make my question clear. I have been familiar with the procedure of governor general's warrant by which, in an emergency, money could be got when parliament was not available. Will the minister explain the exact nature of these items and whether this money is taken and spent before there has been any appropriation by parliament, or whether the supplemental estimate comes along first?

**Mr. Gardiner:** The position is this. We have supplementary estimates for this year now before us. There is a list of items starting with the science service, then the production service, marketing service and special. There are items under all those headings that are voted now and we must have the vote before we can spend the money.

**Mr. Macdonnell:** Then what the minister is saying to me is this. He is telling me that this is not a case where money is used before it is voted by parliament?

**Mr. Gardiner:** That is right.

**Mr. Macdonnell:** That is my question.

**The Chairman:** Shall the item carry?

**Mr. White (Middlesex East):** No, Mr. Chairman. There is one question I should like to ask with regard to item 24. What experimentation or research is being carried on to control range paralysis or leucosis in poultry.

**Mr. Gardiner:** We are not carrying on any particular work with regard to that matter at the present time. Most of the work that is being carried on is being carried on provincially. I presume what my hon. friend has in mind is this matter of putting turkeys up on wire and that kind of thing in order to prevent them from getting the diseases they are accustomed to get, by keeping them off the land where it is infested with it and so on.

**Mr. White (Middlesex East):** That was not what I had in mind, Mr. Chairman. In Middlesex and in some other places some of the poultry producers have complained that this disease is becoming serious and that so far there is no known cure for it. While there may be some experiments which are being carried on at Guelph or elsewhere, there is no official word or nothing to guide the poultry raisers as to what action they should take.

**Mr. Gardiner:** We have a man named Moynihan who is studying this disease in collaboration with provincial authorities and others. Beyond that, nothing is being done here.

**Mr. White (Middlesex East):** There is no progress to report as yet?

**Mr. Gardiner:** No.

**Mr. Harkness:** I notice that the cost of this brucellosis vaccine is $110,000. Can the

minister tell us where that vaccine is purchased and how much it costs per shot? Is any of it produced in the laboratories of the departments themselves?

**Mr. Gardiner:** It is produced in the Royal Connaught laboratories in Toronto.

**Mr. Harkness:** What is the cost per shot?

**Mr. Gardiner:** About 37 cents; in that neighbourhood.

**Mr. Yuill:** The minister has not answered one of my three questions. I wonder whether he would be good enough to answer the first one particularly. What progress has been made in combating Bang's disease? The other matter that I am particularly interested in is whether or not there are available any statistics to indicate the progress made in combating that disease.

**Mr. Gardiner:** I remember that a few years ago we did not accept the idea that inoculation was very helpful but after the experiences which they had in the United States we decided that it was helpful. The plan that is provided now is that the provinces do the inoculating and we supply the serum that is used for that inoculation. It has been carried on right across the country and has had very beneficial results. It is a preventive rather than stopping the disease after it gets under way.

**Mr. Charlton:** I do not like to go further on what we were discussing a few moments ago, but the minister used a letter on accreditation from some member of the house against the hon. member for Digby-Annapolis-Kings.

**Mr. Gardiner:** I did not use it against him.

**Mr. Charlton:** You used it to prove your point, and I think it is misleading because there is a difference between accredited herds and listed herds. The hon. member for Digby-Annapolis-Kings was talking about brucellosis. That had nothing to do with accredited herds. A listed herd is a herd that is tested for brucellosis. I do not believe they were listing herds as far back as 1923. We had one of the first listed herds in our county and I know that was not until after 1930. I would not say it was the first, and I would not say it was after 1930 they started, but I do not believe it goes as far back as 1923.

**Mr. Gardiner:** They were doing something about these herds in 1923, but the listed herd name was not used until some time in the thirties, I understand. There had been a great deal of work done in connection with Bang's disease before I came here twenty years ago. I remember that one of the chief subjects of discussion at that time was what we were going to do about cattle with Bang's disease. It was entirely new to me. That is one of the reasons I remember it so well. It was not a thing that affected us in the west very much, but the dairy farmers down here were very much worked up about it. They came here wanting the plans which had been followed up until then changed. I am not in a position to say how far back those plans went, but they certainly had been doing a great deal about it.



**Mr. Charlton:** I appreciate the fact that much work had been done, but what I asked the minister was when they gave their first certificate for a listed herd.

**Mr. Gardiner:** Oh, I do not think any great point is going to be served by proving that it was one year or another. I just gave you the information that a member had sent to me, and he is just as good a cattle man as my hon. friend. I merely gave you the facts as he gave them to me.

Item agreed to.

**25. Compensation for animals slaughtered, including compensation for eggs destroyed from infected premises under terms and conditions approved by the governor in council, $482,550.**

**Mr. Charlton:** I understand that the condition in Ontario now is that each county can be designated an accredited area in Ontario. Are there any counties that have not been tested yet for tuberculosis and, if so, where?

**Mr. Gardiner:** They have all been covered once. Some of them have been covered twice, some of them three times and some of them more than that. As my hon. friend knows, before they are declared to be pretty well clear they have three tests.

**Mr. Charlton:** Then it is not true to say that the entire province of Ontario is free of tuberculosis.

**Mr. Gardiner:** I would not say it is tubercular-free but it has had one test at least. That one test may show there is a certain percentage of cattle that go down under the test. Our experience has been that when we make the second test there are usually fewer, and finally you get to where you do not find any. Then it is free.

**Mr. Charlton:** I realize that, but there is a percentage where you do not require any tests for five years. My understanding was that the reason they had arrived at that stage was that the counties had not required any tests for five years. That means we can certainly not hope to be free of tuberculosis for a number of years, but there are places where it is less than one-half of one per cent.

**Mr. Gardiner:** One-half of one per cent will accredit them for three years and two-tenths of one per cent or below will accredit them for six years. Then you have to have a test again.

Item agreed to.

26. Livestock and poultry, $1,644,413.

**Mr. Charlton:** The minister made the statement a moment ago that we are not sending any hogs to the United States. It is true that we are not sending any hogs—

**Mr. Gardiner:** A few but not many.

**Mr. Charlton:** —other than for breeding purposes, but the minister left the impression that we were not sending any hogs. Probably some people would think that we were not sending any pork either. I think that that is very misleading. I should like to know how much canned pork, cooked pork and processed meats have been sent to the United States in the last year and if it is not a fact that much of our best bacon is going to the United States right now?

**Mr. Gardiner:** The position in connection with hogs is that our hogs have been higher in price than they are in the United States so hogs just do not go to the United States when you can get more for them at home as hogs. It is true, however, that there are certain cuts that can be sold in the United States. The year we had the foot-and-mouth disease we had estimated that we would sell 50 million pounds of cuts in the United States, and of course when the foot-and-mouth disease epidemic came we could not sell them and we had to can them and do other things with them. But there are certain quantities going to the United States in the form of different cuts and there is a certain amount goes over as bacon but nothing like the amounts that we used to ship out of this country as bacon. Most of our bacon is consumed here. There is nothing to prevent it going to the United States if you can get as much money there for it as here. But when anyone looks at the price of hogs at Toronto and then looks at the price at Buffalo or somewhere else he will find a very good reason why they do not go there.

**Mr. Charlton:** Fifty-five million pounds of canned meat were exported last year.

**Mr. Gardiner:** That 55 million pounds of canned meat contained part of what we canned the year before because of the foot-and-mouth disease, but that has nothing to do with the ordinary shipments across the line. We figured on shipping 50 million pounds as cuts. We could not ship them so we canned them but we did export a considerable quantity of canned meat during that period. What we usually figure on sending is 50 million to 60 million pounds in some form or other, but not as hogs.

**Mr. McCullough (Moose Mountain):** When I tell the minister that I am very interested in the matter of fertilizer he will recognize that when I was here from 1945 to 1949—

**The Chairman:** Order. Is item 26 carried?

Item agreed to.

27. Plant products—seeds, feeds, fertilizers, insecticides and fungicides control, including grant of $40,000 to Canadian seed growers association, $1,483,598.

**Mr. McCullough (Moose Mountain):** When I was here from 1945 to 1949, I think in each of those years I made a speech and tried to indicate to the government the serious condition existing with respect to the production and sale of fertilizer in Canada. Before I go into the matter I want to reply to the hon. member for Kootenay East who this morning took exception to what had been said by the hon. member for Humboldt-Melfort in a speech earlier in the session. The hon. member for Humboldt-Melfort pointed out that the prices of fertilizer were such that in many cases it was not economical for farmers to use it.

In substantiation of his argument he indicated that in his constituency of Humboldt-Melfort there was a petition being circulated by farmers to more or less boycott the purchase of fertilizer. In bringing that to the attention of the house the hon. member for Humboldt-Melfort was trying to indicate that the price of fertilizer was so high farmers were in many cases taking action to boycott the purchase of it.

Now, whether or not the hon. member for Kootenay East was attempting to mislead members of the house, I cannot say. Certainly if the hon. member for Humboldt-Melfort used fertilizer on part of his land, he felt it was necessary. I want to say to the minister and to the house that there can be no doubt farmers are concerned about the price of fertilizer in Canada today. In this respect the minister knows quite well—I do not think it is an exaggerated statement—that every Canadian farmer was betrayed by the Liberal government when they sold the fertilizer plants which, during the war period, were owned by the Canadian government and paid for by the Canadian taxpayers. These plants were sold to private industries at fire sale prices. All this is a matter of record and it is not my intention this afternoon to make a lengthy speech on the matter, other than to indicate that contrary to the

wishes of organized agriculture in Canada and the Canadian Federation of Agriculture as well as the wheat pools, and in spite of the assurances given by the Minister of Agriculture and the Minister of Trade and Commerce, the fertilizer plants belonging to the Canadian people at Welland, Trail and Calgary were sold to private enterprise.

I am very concerned about this because we hear a lot these days about the government's program to conserve our natural resources. Indeed, they have set up an individual portfolio for that purpose. Coming from an agricultural area, and having been interested in this matter, I cannot see how the government could allow the situation to exist whereby the agricultural land could deteriorate because of the lack of fertilizer. I know well that more and more farmers have become accustomed to using fertilizer. They would like to use it, and in many cases are still using it even though the price has now gone up to $120 a ton for 11-48 which is sold on the prairies. At the same time I know that many farmers, because of the price of fertilizer in relation to the cost of production, are turning away from the use of it.

I feel, Mr. Chairman, that the government should look into this matter; that the whole production, sale and distribution of it should be investigated in an effort to provide fertilizer at more reasonable prices. I know that during the latter part of the war period this same 11-48 was sold on the prairies at $63.50 per ton off cars. Indeed, that price existed until 1945. It went up then, of course, and the government had to step in in 1947 and ask the firms producing fertilizer to put their prices back again. Now, it has gone up, without any government control, until now this fertilizer is selling around $120 a ton in the western provinces. I feel that the farmers have a right to complain about the policy of the government in not at least taking into consideration the representations made by organized agriculture to at least keep one of these industries under government control.

The minister knows full well that in the past I have quoted commitments he and the Minister of Trade and Commerce made to the effect that one of these plants would be kept by the government so we would not have a monopoly in the production of fertilizer in Canada. That is all I have to say today in this regard, Mr. Chairman. I only hope the government will take some action and that some investigation will be made concerning this important matter.

[Mr. McCullough (Moose Mountain).]

**Mr. Charlton:** Does the inspection of canned dog foods and canned cat foods come under this item or are there any regulations governing canned dog or cat foods?

**Mr. Gardiner:** If they are produced in inspected plants, they would be under general inspection, but other than that I do not know of any unless there are provincial regulations.

**Mr. Charlton:** Of course the meat that is put into them, if it is purchased from inspected plants, naturally would be inspected. Is there any regulation at all governing the canning of dog foods?

**Mr. Gardiner:** The officials tell me, not to their knowledge.

**Mr. Charlton:** Would it come under the health of animals or fertilizers and foods?

**Mr. Gardiner:** Well, I shall try to find out at the dinner hour.

Item agreed to.

*28.* To provide for grants to fairs and exhibitions in accordance with the regulations established by order in council of December 22, 1952, P.C. 4602, for payments on account of agreements in force on December 31, 1953, with exhibition associations covering the construction of buildings and other major undertakings; and for a grant of $50,000 to the Royal Agricultural Winter Fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $856,957.

**Mr. Harkness:** Under this item there used to be a list of the various grants made to the different exhibitions, but that is not done any more. It is all in a bulk item. I notice that the vote is up by $200,000. In looking at the details for the item, I think that increase is chiefly due to grants that have been made for buildings. I wonder whether the minister would be able to give us a break-down of this item? I should particularly like to know the amount given under this vote to class A fairs in western Canada.

**Mr. Gardiner:** The grant to class A fairs is now up to $3,000 and the amount for capital expenditure is $20,000 under one vote. The grant to class B fairs is up to $1,800. We did have a plan that is not entirely completed whereby you could capitalize the regular grant for class A fairs over a period of 10 years. Under that policy the fair and province or municipality usually put up a similar amount, so they could spend three times the amount we put up for a building. A similar plan was followed for class B fairs. There will be a considerable part of these expenditures still to be met and they are voted from year to year. Last year, we made

provision for these latter amounts to be capitalized over a period of years, and that simply meant we did not make any further grant to the fair during the time the capital grant was being paid. As my hon. friend has said, it is here in the form of the amount to class A fairs and the amount to class B. Those two are put together, and the figures given are those found in the back of the book.

**Mr. Harkness:** They used to be listed separately; the amount for Calgary was so much, and the same for Edmonton, Saskatoon, Regina, Brandon and so on.

**Mr. Gardiner:** The amount to those class A fairs would be $3,000 each.

**Mr. Harkness:** They will each get $3,000?

**Mr. Gardiner:** Yes.

**Mr. Harkness:** And how much do each of those five fairs get, if anything, out of this $500,000 building grant?

**Mr. Gardiner:** We will dig up that information during the dinner recess.

**Mr. Nowlan:** Mr. Chairman, could we have an understanding on one point. I know some hon. members have appointments but, due to the sausage machine production line from six to seven o'clock it is impossible to be here promptly at seven. I wonder if items 30 and 31 might be allowed to stand with the understanding that we would discuss them later, perhaps after eight o'clock.

**Mr. Gardiner:** We will let them stand until after eight o'clock.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at seven o'clock.

**Mr. Purdy:** I was also interested in item 28, particularly that part having to do with the grant of $494,000 to assist in the building of premises of various exhibitions. I am particularly interested in two exhibitions in my own riding, that of Windsor in Colchester-Hants and the central Nova Scotia at Truro. Perhaps hon. members would be surprised, after the gloomy remarks of the hon. member for Queens this morning with respect to agriculture in the maritime provinces, to hear that we really do have agricultural exhibitions in that area. However, I am happy to say that the Hants exhibition at Windsor is the oldest exhibition in North America. This year they are having the 189th consecutive agriculture show at Windsor.

My purpose in rising is to ask the minister what, if any, sums in that amount of $494,000 are to go to either or both of these exhibitions. I understand that this year the central Nova Scotia exhibition is erecting a new building costing a considerable amount of money. I am hopeful that some federal grant will go into that show. I believe that Windsor has already received a considerable sum for their new premises. Can the minister give me the amounts that are to go to these two famous shows in Nova Scotia? Last year we had the extreme honour of having the Prime Minister visit our central Nova Scotia exhibition and we hope the Minister of Agriculture will be able to pay us a visit during one of the shows this year.

**Mr. Gardiner:** Truro got $4,000 out of that amount of money and Windsor got $7,033. The answer to the other question asked by someone on the other side of the house, I think the hon. member for Brant-Haldimand, is: Truro, $4,000; Lachute, $2,268; St. Hyacinthe, $3,945; Three Rivers, $4,000; Sherbrooke, $4,450; Galt, $1,096; Lindsay, $2,145; London, $21,000; Ottawa, $4,500; Peterborough, $4,000; Toronto, $4,000; Simcoe, $20,937; Brandon, $21,000; Regina, $4,000; Saskatoon, $4,000; Calgary, $3,500; Vancouver, $21,500; Edmonton, $11,000. Those that received over $4,000 received it for capital expenditures in addition to the grants that were spent that year.

**Mr. Purdy:** Is it right that toward this $100,000 building for the central Nova Scotia exhibition the federal contribution is going to be only $4,000? They are putting up a new central building to cost $100,000. Surely there is some mistake there.

**Mr. Gardiner:** If there is it does not show it in the records here. If the building was put up—

**Mr. Purdy:** The building is going up this year.

**Mr. Gardiner:** Oh, I beg your pardon.

**Mr. Purdy:** The arrangements were made last year.

**Mr. Gardiner:** If they were made last year and if they had a capital expenditure they can go along with $20,000 and they will get whatever is coming this year, too.

**Mr. Purdy:** There must have been some definite arrangement or they would not have gone ahead with this capital expenditure.

**Mr. Gardiner:** It is quite certain it is signed if they have gone ahead. If it was $20,000 then they will continue on until it is

completed. It was the hon. member for Calgary North who asked the question about the fairs.

**Mr. Harkness:** On what basis are those grants for capital assistance given? I notice that Calgary is the smallest of any of those class A fairs in western Canada, although it is much the biggest fair of any of them.

**Mr. Gardiner:** Of course the arrangement is they can get the $20,000 if it has not been paid before. I would take it that one of the reasons why Calgary is one of the biggest fairs is that quite a bit of this building has been done in the past, and they are still using that accommodation, but that was all that was paid there last year. That does not mean they did not get as much as the others. London has $21,000 and Simcoe has $20,000; Brandon has $21,000 and Vancouver has $21,500; Edmonton has $11,000. These are all grants that have come under part of the arrangement that had been made previously or because they had not had payments before.

**Mr. Harkness:** My question was, on what basis are these grants made?

**Mr. Gardiner:** As I explained it this afternoon, grants are made to a grade A fair of $2,500 plus—

**Mr. Harkness:** I am talking about the capital assistance grants.

**Mr. Gardiner:** The capital assistance grant can be $20,000. But these particular figures are more than the capital payment. I understood my hon. friend to ask for the entire payments they received last year.

**Mr. Harkness:** Yes, I asked about the whole payment and you said they received $3,000.

**Mr. Gardiner:** Calgary had no capital payment last year.

**Mr. Harkness:** I then asked about capital assistance and I understood from what the minister said that they received $20,000 in a year if they did a certain amount of building. Is that correct?

**Mr. Gardiner:** No, not every year. When they get it once they are through.

**Mr. McIvor:** Mr. Chairman, I wanted to ask the minister a question. There is a tendency in our modern society to increase sales by selling tickets with a car as a prize, and sometimes these affairs take place every night. I just wanted to ask the minister if he agrees with this sort of thing and thinks it is in the interests of good husbandry, or any other kind of industry. Port Arthur does not agree with it, though Fort William does. I do not.

[Mr. Gardiner.]

**Mr. Gardiner:** Usually I either buy a ticket or have one given me, but I have never won a car yet.

Item agreed to.

**The Deputy Chairman:** I understand that items 30 and 31 are to stand until later.

33. Subsidies for cold storage warehouses under the Cold Storage Act, in the amounts detailed in the estimates, $450,538.

**Mr. Charlton:** Mr. Chairman, in the details relative to this item at page 107 there is a cold storage item in the amount of $254,667. I wonder if the minister would tell me the total cost of that cold storage and whether it is for a co-operative or otherwise. It concerns the Mount Royal, Empire Cold Storage.

**Mr. Gardiner:** I might first answer the other question about dog and cat meat. I understand there is no provision in our legislation for that, and as a matter of fact it is excluded from the fees.

**Mr. Charlton:** Then there are no regulations covering that?

**Mr. Gardiner:** No.

**Mr. Charlton:** I would seriously urge the government then to consider this matter because some of the existing dog and cat foods are probably below standard and I think they should be investigated.

**Mr. Gardiner:** There is no provision for checking cat and dog food. My officials looked it up over the dinner hour and that is what they tell me.

**Mr. Charlton:** I think there should be, and they might well be brought in under the act.

**Mr. Gardiner:** I will take that into consideration.

**Mr. Charlton:** I would be pleased if the government would consider the matter and try to do something about it.

**Mr. Gardiner:** I do not know the reasons why they have not been covered but there must be some reason.

**Mr. Charlton:** I asked a question regarding the Mount Royal, Empire Cold Storage grant covering about $250,000 and I wonder if the minister could give me that information.

**Mr. Gardiner:** It is a limited stock company and not a co-operative.

**Mr. Charlton:** What is the ordinary grant?

**Mr. Gardiner:** The ordinary grant would be 33⅓ per cent of the cost.

**Mr. Charlton:** And the regulation is that a certain percentage has to be for public storage?

**Mr. Gardiner:** Yes.

**Mr. Charlton:** That is the only stipulation?

**Mr. Gardiner:** The entire storage has to be for public storage.

**Mr. Charlton:** The entire storage?

**Mr. Gardiner:** We pay 33⅓ per cent. It is custom storage. That does not mean that everyone has a right to store their products there. But they can store them there at a certain rate. A joint stock company owns this particular storage and not anyone can store there. We say it has to be opened for that kind of storage.

**Mr. Charlton:** Then the entire storage space has to be available for public storage. I understood that it was just a certain percentage.

**Mr. Gardiner:** I was under that impression too but they tell me that is not the case.

**Mr. Charlton:** Has the regulation been changed?

**Mr. Gardiner:** No.

**Mr. Charlton:** Can an individual get this grant if 100 per cent of the storage is available for rental to the public?

**Mr. Gardiner:** That would be all the more reason for them receiving it. The only reason a person would not receive it would be if he used it all for himself and if he had the kind of business where he used it all for his own product and it was not available to others. That is the principle behind it, although I do not say that a man could not store his own products. If he is using it for his own products there might not be any space available for the public.

**Mr. Nicholson:** This would appear to be a very large item concerning the city of Montreal. I wonder how the Minister of Agriculture happens to be making such a large grant in regard to Montreal. What about Canada Packers in Toronto? Would they come in under this sort of grant from the Department of Agriculture?

**Mr. Gardiner:** As a matter of fact, Canada Packers have not had any assistance. Nearly all of these cold storages are in urban centres. I cannot recall any at the moment in country districts. There is probably one for apple storage in Quebec out in the country, but nearly all the others are in urban centres. There are some at London, Ontario, some at Montreal, some at the city of Quebec, and so on, and in our part of the country there are some at Regina, Saskatoon, Edmonton, and Calgary which are used for the storage of farm products. But they are not necessarily in the country. In this case, butter, cheese, apples, and everything of that sort from that area are stored in Montreal.

**Mr. Charlton:** I wonder if the minister would say whether the storage owned by a co-operative would be considered to be publicly owned. If the co-operatives received this grant would they be able to store their own products in this kind of storage?

**Mr. Gardiner:** If it is a co-operative in every sense of the term it is very likely. In so far as its operations are concerned, it is not storing its own products but the products of the people who belong to the co-operative.

**Mr. Charlton:** It is considered as such?

**Mr. Gardiner:** Yes.

**Mr. Charlton:** Then that is a method by which the co-operatives can get out from under the regulations. In other words, their products belong to individuals and do not belong to the co-operative which has received the grant.

**Mr. Gardiner:** The regulations define what constitutes a co-operative but I would say that the government of the day which handled this matter, and that was long before my time, were concerned in all probability with supporting the co-operatives and special reasons are put in for some individuals who start a cold storage and the regulations largely apply to them.

**Mr. Charlton:** What I was trying to get at was whether, if an individual had the grant, it would be 100 per cent that would have to be available to the public or whether there would be a different regulation for a co-operative, for instance.

**Mr. Gardiner:** No, there is no difference; the regulations are the same.

**Mr. Nicholson:** Other grants made were at Summerside, to Amalgamated Dairies Limited; to three co-operatives in the province of Quebec; at Eastend, to the Eastend Locker Plant Co-operative Association Limited in Saskatchewan; and at Cawston, to Similkameen United Growers Co-operative. All those co-operatives together received less than half of what has gone to this joint stock company. It seems to me that this is a new precedent. I do not recall ever having noted as large a grant as this. Probably I am wrong, but the minister will correct me. It seems to me that if a privately owned firm in Montreal can get a grant of a quarter of a million dollars, Canada Packers probably should be entitled to several millions because they store farm products. I wonder whether the minister could tell us whether there have been larger grants previously.

**Mr. Gardiner:** They are entitled to the same, no matter where it is. They are entitled to one-third of the cost. If a concern

out in Eastend or some place else has capacity available to them, that is what it will get. But in Eastend they will only want capacity for the size of the community in which they are. They are not going to spend as much as they are going to spend in Montreal where goods are stored from all over Canada. Butter is shipped down from the co-operative in Saskatchewan and it is stored in Montreal because they can sell it in Montreal. They do not ship it to Eastend or places like that. But Eastend gets one-third of the cost, just the same as they get one-third of the cost in Montreal.

**Mr. Nicholson:** Will the minister say what is the largest grant that has been made?

**Mr. Gardiner:** I do not know; something over $1 million.

**Mr. Nicholson:** A single grant?

**Mr. Gardiner:** Not a single grant.

**Mr. Nicholson:** What is the largest single grant?

**Mr. Gardiner:** It would be a third of whatever the cost is.

**Mr. Nicholson:** Would the minister indicate what is the largest single grant?

**Mr. Gardiner:** I cannot tell the hon. member that. It is back over twenty years.

**Mr. Nicholson:** The minister's officials should be able to tell whether or not this is the largest amount that has been paid out to date.

**Mr. Gardiner:** I am quite sure it is not because I recall one going through a short time ago which was over $1 million. Three times this one would not be a million.

Item agreed to.

34. Fruit, vegetables and maple products, and honey, including grant of $5,000 to the Canadian horticultural council, $1,328,444.

**Mr. Cardiff:** I should like to ask the minister why it is that the government still supplies pails and so on free of charge to Quebec producers of maple products.

**Mr. Gardiner:** That question, of course, has been quite naturally asked during each of the last three years, I think. I have explained that this was something we started before the war, discontinued during the war and then tried to complete after the war. I have been a little bit concerned as to why it has been necessary to carry it on so long. We had notified them at one time that this would be the last payment. Some representations have been made to us to the effect that we might have to carry on for one more year in order to clean it all up.

[Mr. Gardiner.]

The present position is—and it has been that way since back about 1937—that the Quebec government are replacing pails which were used to gather sap and pans and to boil down the sap and which were covered with some lead covering to prevent them from rusting. It was found that when the sap was allowed to remain in those buckets or in the pans under certain conditions it caused lead poison to enter into the sap and that poison was found in the syrup. We undertook to assist the Quebec government in getting that equipment replaced. They were to pay a third of the cost, the farmer was to pay a third of the cost and we were to pay a third of the cost. It is on that basis that we are still paying this $100,000 this year.

**Mr. Cardiff:** Is that privilege granted to any other province?

**Mr. Gardiner:** Any province that asks for it. Quebec is the only province that asked for it.

**Mr. Nesbitt:** Mr. Chairman, I should like to bring a certain matter to the attention of the minister. It concerns the manner in which some of the fruit and vegetable inspectors are retired. I think this matter should be looked into so there is no recurrence of the incident which I should like to relate to the minister. The incident is as follows. It concerns one Wilfred Corp who lives in the north part of my riding. He has been a fruit and vegetable inspector for nearly 24 years, or since 1930. I understand that he never had a day's sickness and that he carried out the job very well. I have seen the man. He appears to be about 50 or 55 years of age; much younger than he actually is.

As I understand it, under the regulations in this matter, people in this type of employment are employed until they are 65, and then at that time or before they reach the age of 65 they are allowed to make application to continue their employment. I will deal with the details of that matter in just a moment but I think it might be as well to tell the story from the beginning. I have here a number of letters to which I should like to refer. The first is a copy of a letter written by Mr. Corp to one Mr. Eardley, who is fruit and vegetable inspector at Ottawa. It reads as follows:

Tavistock, Ontario,
January 5, 1954.

Mr. E. A. Eardley, Chief,
Fruit and Vegetable Inspection,
Department of Agriculture,
Ottawa, Ontario.

Dear Mr. Eardley:

Since I am nearing retirement age and, I believe, legislation has been passed whereby the time may

be extended if so desired, I should like to know just what the procedure is in this connection, as I should like to continue in the service.

Since my health is good and, I believe, I have not lost a day due to sickness in twenty years, I feel that I can still fulfil my duties to the satisfaction of the department.

I should appreciate hearing from you in this connection. Please advise what steps I need to take if this letter is not sufficient.

Yours respectfully,
Wilfred Corp.

The next letter in this connection is dated January 7 and is from Mr. Eardley, to whom the last letter was addressed. This letter is dated Ottawa, January 7, 1954, is addressed to Mr. W. Corp, fruit and vegetable inspector, Tavistock, Ontario, and reads as follows:

Acknowledging your letter of January 5th regarding your approaching retiring age and your desire to have your employment with this department extended beyond such age, the new legislation regarding extensions beyond the age of sixty-five has not yet been definitely passed on to the different departments and we are therefore not clear as to what the new provisions are. Certainly it appears at the moment as if this matter of extensions will not be as simple as has been indicated in certain press dispatches.

Your request will be kept in mind and when we are clear as to the new provisions we will get in touch with you and you will then be able to re-submit your request, this time through supervising inspector Frank Strong and then the district office in Hamilton.

E. A. Eardley,
Chief, Fruit and Vegetable
Inspection Service.

The next letter is dated March 4, 1954, is addressed to Mr. W. Corp, Box 123, Tavistock, Ontario, and reads as follows:

I have just received word from our Ottawa office that your employment as a fruit and vegetable inspector terminates on March 23, 1954.

That is approximately 19 days from the date of this letter. It continues:

There is apparently no extension after one reaches the age of sixty-five except under exceptional circumstances. You also have nine days leave coming to you and it must be taken before March 23. It is quite possible that owing to weather conditions, we may be able to fill those nine days in between inspections. I will be up some day next week and we can talk matters over and probably clear up any problems that may arise.

Yours very truly,
W. F. Strong,
Supervising Inspector.

That was on March 4. On March 11 there is a letter written by Mr. Corp to Mr. E. G. Paige in Ottawa. It reads as follows:

Tavistock, Ontario,
March 11, 1954.

Gentlemen:

On January 5, 1954, I wrote to Mr. E. A. Eardley regarding an extension of employment after reaching retirement age. His reply on January 7th stated that as soon as he had something definite from the civil service he would let me know and that I might then make application through Mr. Strong, supervising inspector and through the Hamilton office.

However, to my surprise, instead of this course being followed, Mr. Strong notified me on March 4th that my services as fruit and vegetable inspector would conclude on March 23rd.

As stated in my letter to Mr. Eardley on January 5th, I am in good health and feel that I should be able to continue as an inspector for some time to come and hereby make application for an extension of employment as fruit and vegetable inspector.

In years gone by I have inspected as many as 42 cars in one week with rarely a rejection at destination points. Since the district has been divided, my work is considerably lighter.

As I understand that others have been granted extensions, I trust that you may see fit to reconsider the notice sent me on March 4th.

Yours respectfully,

The next letter—there are only three more—is dated March 17, 1954. It is addressed to Mr. Wilfred Corp and it is from Mr. J. G. Taggart, the deputy minister. We are going up the line. We started at the bottom but we have now got to the deputy minister. This letter reads as follows:

Mr. Wilfred Corp,
Tavistock, Ontario.

Dear Mr. Corp:

It has been brought to my attention that you will reach the age of 65 years on March 24, 1954, and at that time will be eligible for three months of retiring leave to be followed by superannuation as a result of over 13 years of service as a faithful and conscientious employee of this department.

The new Public Service Superannuation Act does make provision for the extension of employees beyond the age of 65 provided that they are willing to continue and are physically fit to do so, but serious consideration must be given to the problem of the development of staff to carry on the work of the department in the future. In making a decision with respect to extension of any employee's service, the first consideration must be given to the department's needs.

The question of whether or not you should be asked to continue beyond the age of 65 years has been discussed at length with the appropriate officers of the department. After most careful consideration, we have come to the conclusion that it would be best for you to proceed on superannuation in the normal manner.

Yours very truly,
J. G. Taggart,
Deputy Minister.

With this letter there was attached a copy of order in council P.C. 1953-1863. That is the way it is referred to, and I presume it is order in council 1863 passed in 1953. The pertinent part reads as follows:

16. (1) Notwithstanding subsection (2)—

I will read it in a moment.

—a contributor shall cease to be employed in the public service upon attaining sixty-five years of age unless

(a) the contributor advises the deputy head of his department, in writing, not later than thirty days prior to attaining such age, that he desires to continue to be so employed;

(b) the contributor is certified by a qualified medical practitioner, upon examination not less than thirty days prior to attaining such age, to be physically fit to continue to be so employed;

(c) the deputy head, upon receiving from the contributor the advice referred to in paragraph (a), approves, in writing, that the contributor continue to be so employed; . . .

Paragraph (d) is not relevant because it deals with people who receive over $8,000 a year. Subsection 2 says:

(2) The deputy head of the department shall, not later than six months prior to the time when the contributor reached sixty-five years of age, notify the contributor by registered mail of the provisions of this section respecting employment in the public service after the age of sixty-five.

I should like to point out at this time, as must be very evident, that the first communication Mr. Corp had informing him he was to be retired was on the 5th of March and it indicated that he was to be retired on the 23rd. In order to apply to remain in the service he would have had to advise the deputy head of the department within thirty days, which was not possible, and he would also have had to have a physical examination at least thirty days before, and since he did not know he was going to be retired, although in January he had written asking for information, he had no opportunity. More than that, it would seem to me that before the man could be retired the condition precedent which is quite clearly set out in subsection 2 would have to be observed.

It says that the deputy head of the department shall, not later than six months prior to the time when the contributor reached 65 years of age, notify the contributor by registered mail of the provisions of this section. The whole purpose of putting that in there is to give the contributor or person who is to be retired ample warning of the fact he is to be retired so that if he wishes to comply with the terms of subsection 1 of section 16 he will have an opportunity of doing so. The purpose is so that he will have plenty of opportunity to make up his mind whether he would like to continue. If so, he would then have a chance to make application to the head of the department and would have plenty of opportunity to get a physical examination.

In this particular case Mr. Corp, not knowing about the regulations, wrote the department in January asking what he was supposed to do. He wanted to know if a letter would be sufficient. He received a letter in a couple of days saying that the department was not quite sure, that they did not know what they were supposed to do although the order in council was certainly passed in 1953 and this correspondence took place in 1954.



This man wrote again and nothing was heard. He waited all during the rest of January and February and then on March 5 he received a letter saying that his services were no longer required and that he would be retired on March 23.

He had no chance to do any of the things that are set out. It is my submission that the department is entirely in the wrong, that they had no right to let this man out under these conditions and have not carried out the condition precedent of giving him six months notice. I know that section 16, subsection 1 starts off with the words "notwithstanding subsection (2)" but just the same the whole sense of the two subsections taken together is that it is impossible to carry out subsection 1 without the department having previously carried out the terms of subsection 2. In this case the matter was aggravated further by the fact that the man had written to the department, had asked for but had received no information.

**An hon. Member:** Carried.

**Mr. Nesbitt:** Oh no, it is not.

**Mr. Kirk (Antigonish-Guysborough):** What happened to Mr. Corp's predecessor?

**Mr. Nesbitt:** There is one final letter which I intend to read. It is dated March 31, 1954 and is addressed to Mr. W. Corp, Tavistock, Ontario. It is from the deputy minister, Mr. Taggart, and reads as follows:

Dear Mr. Corp:

Following receipt of your letter of March 19, 1954, further consideration has been given to the question of your superannuation or extension upon reaching the age of 65 on March 24, 1954. I regret to advise you that it is still the department's decision that you should proceed on superannuation in the normal manner.

It is regretted that you were not notified earlier but this delay was due to some misunderstanding with respect to the interpretation of section 16 of the public service superannuation regulations. The regulations however do not require the department to give you six months' notice of termination of employment, but rather to notify you of section 16 (1) respecting employment in the public service after the age of 65. The complete wording of this subsection is as follows: . . .

Then section 16, subsection 1 is set out but subsection 2, which is the important one inasmuch as it is the condition precedent, is not set out at all. I will be quite blunt. I have had some correspondence and some words with the minister's secretary and his parliamentary assistant. They indicated to me that they thought it best to allow this man to retire, despite these circumstances. I was informed that was the usual practice, but in the very next county to mine there is one man who I believe is over the age of 65

and is still continuing as a fruit and vegetable inspector. If the minister wishes his name I can give it to him, but I do not want to mention it now.

**Mr. Cardiff:** Was he a Liberal?

**Mr. Nesbitt:** That I could not say. I do not wish to give the name. It is not exactly fair because naturally this man is not in the house. He has been given an extension, and he will be retiring shortly. The point I would like to get at is this. If the department lays down regulations as to the procedure for retiring people, why are those regulations not followed out? When they are not, it is an easy way of getting rid of people and providing somebody else with the job. I should like the minister to tell me who is now to get the job Mr. Corp held for nearly 24 years? I would hope also that the minister would make a check that this kind of thing does not continue in the future.

**Mr. Pallett:** I rise at this time to ask the minister a question concerning the Ontario food marketing terminal. This terminal has been built after years of labour and co-operation and is a splendid example of the result of co-operation between the government and the growers and the wholesale merchants, who worked together towards a common end. The effect of this market will be to enable the fruit and vegetable growers of Ontario to put their products on display under first class conditions, and perhaps therefore obtain higher prices than they would otherwise have obtained. It will permit the movement and delivery of articles more quickly within the Toronto market, and under more favourable conditions. Will the minister tell me if he has any arrangement whereby services may be provided for those growers who may at some time wish to export directly from that market?

**Mr. Gardiner:** The marketing centre at Toronto is one which we have been talking about for a long time. We have also had under discussion a similar set-up for Montreal. I believe both of those plants were talked about before the war and considerable negotiations had taken place suggesting that the provincial governments and this government should contribute something toward the building of those plants. Nothing had been arranged before the war, and the matter was again taken up and gone ahead with after the war.

I am quite certain there has been no undertaking on behalf of this government to pay anything towards them whatever. If there is no provision for our paying anything, of course, we would not have anything to say about the conditions under which the market operates. It will be a matter entirely between the city of Toronto, I suppose, the government of Ontario and the organization that is setting up the market. We would not have anything to say about that.

**Mr. Pallett:** I gather then that you have no marketing agency, and do not propose to have any marketing agency set up in that market with respect to the export of fruit and vegetables? That will depend solely on the operations of the Ontario government?

**Mr. Gardiner:** We have an organization, of course, with regard to the export of fruit and vegetables from this country to the United States or any other country. It is not necessarily associated with any market set-up such as you have in Toronto.

**Mrs. Fairclough:** I should like to inquire from the minister about a problem that has come to my attention just recently concerning the importation of cherries from Italy for use as maraschino cherries. As I understand it, within a reasonably short space of time the inspection has become considerably more rigid, I believe under an agreement between the Department of Agriculture and the Department of National Health and Welfare. The problem that I have in mind has to do with the establishment by the department of a stated tolerance of infestation. Just recently a shipment was returned to Italy because the infestation was found to be quite severe. I understand that about 70 per cent of these cherries that come in are entirely free of infestation, and the suspected percentage of the remainder only runs around 2 per cent or 3 per cent. In rare cases, some of them are rather badly infested.

However, the difficulty is that the exporters themselves have no rule by which to go on; there is no published or expressed rule laid down by either department, with the result that the exporters are a little loath to ship unless they know just what standards they may be required to meet. It seems to me that no great harm could come from at least laying down some sort of standard to which they would know they must adhere, rather than having shipments coming into the country all the way from Italy, being turned back and the exporter paying the freight two ways. Quite apart from the inconvenience to the exporter in this matter, of course there is the resultant inconvenience to the importer who is likely to find himself, over a period of time, without a source of supply.

There is the inconvenience, not only in the matter of cherries but other things as well, such as olives and so on, of having shipments held up for a considerable length of time while they are being examined. Sometimes these examinations do take a considerable length of time, and freight, storage and other charges are accumulating against the importation. I should like to ask the minister if his department will seriously consider placing a reasonable tolerance on these goods so that both the exporters and importers alike will have an idea of the standards to which they must adhere.

**Mr. Gardiner:** I understand that the infection in this particular case is the result of the fact that an insect has laid its eggs in the cherry, and they produce an insect. There is no tolerance in connection with that. If the insect is an insect we do not want in this country stinging cherries, it is just about as bad to have three or four as it is to have 50 because they will increase very rapidly. The intention is to keep them out altogether.

**Mrs. Fairclough:** But these cherries are in brine. Surely the insect would be dead by this time. I am not disputing that there may have been ample reason for sending back the shipment I mentioned; that was not the main point. I merely gave that illustration. I understand that one of the reasons the shipment was turned back was that it showed traces of insects having been there which were no longer there.

**Mr. Gardiner:** I understood at first that these cherries were fresh cherries, but you say they are in brine. I am informed the real reason for turning them down is that they were not fit for human consumption, the same as if there was a worm in an apple or some other fruit. For a person to get even one of them out of a lot is going to cause considerable complaint, and therefore they are not permitted in. There is no tolerance allowed in connection with the matter. I can have the hon. member's suggestion that some tolerance be allowed considered. However I assume it has been considered many times before.

**Mrs. Fairclough:** No; the information I have is that the regulations have been tightened up considerably in the last little while, and that there have been shipments let in with some traces of infestation. As I said, quite a bit of the remaining 30 per cent would probably have only 2 per cent or 3 per cent infestation. One source of information indicated that the high was 15 per cent, and another that it was 26 per cent. It is simply ridiculous to allow imports that are in that condition.

[Mrs. Fairclough.]

But where the infestation has been only 2 or 3 per cent, in the past they have been allowed in without any complaint. I cannot see why there should not be a standard set so that these exporters will know the standard to which they are required to adhere. I am also informed that this is a bad year in so far as cherries are concerned, because of the weather conditions. Possibly by another year the condition would have cleared itself up, and there would be an almost perfect crop. At the same time there would always be a certain amount. The very fact that most of the shipments which come in are about 70 per cent free indicates that it is not a great problem at any time. The great problem is that the exporters should know what they are required to produce.

**Mr. Gardiner:** I presume they understand pretty well now, or there would not be a complaint about it.

**Mrs. Fairclough:** Apparently not.

**Mr. Gardiner:** The fact that they have had them sent back indicates what the amount of the tolerance is. I would rather hope that there is not much likelihood of people on this side complaining so much about getting fruit into the country which is not entirely free of that kind of thing. I know we would raise quite a bit of trouble about it in this country if we were getting in apples, cherries, or any other fruit that was affected in the same way. If we were told after, "You let other fruit in from outside similar to this" I am sure it would raise trouble. In any case I will have the matter inquired into, see what the reasons are and whether any change can be made.

**Mrs. Fairclough:** The minister will find the situation is slightly different from what he imagines, I believe, if he will inquire into the matter.

**Mr. Nesbitt:** Mr. Chairman, I set out before the minister a regrettable set of circumstances concerning a certain man who, I suggest, has suffered considerable injustice. I wonder if the minister could give me some assurance that he will look into the matter and try to get to the bottom of it.

**Mr. Gardiner:** Mr. Chairman, I quite understand the story that has been told, although I had not heard it before. These matters come along from time to time, and usually I have to sign them. Sometimes I do not, but it may be that I did sign this one. If I did not, then it was signed by someone acting for me.

Since the age limit of 65 years was put in —and that has applied all the time I have been here, and I do not know how long

before—persons have been retired at the age of 65. After all until this last year there was no special provision made. Anyone could be retired at 65, and anyone could be allowed to continue on until the age of 70. The fact that conditions were put in last year did not make it any easier for a man to be retired. In fact there were conditions put in which made it somewhat more difficult for him to be retired.

All that had to take place before was to have an official in the department recommend such a person for continuation in office, on the ground that there was no one prepared to take his place, or that he was still in good health and able to carry on. Then that matter would come to me as minister. In ninety-nine cases out of a hundred no one would have written in to me about it. I would not know the individual, or anything about him at all, other than that he had reached the age limit for retirement. Sometimes it has been asked that a person's time be extended for another year. For a time we had a rule that it could not be extended more than six months at a time. Then for another length of time we had a rule that it would not be extended more than one year at a time, and it never was for more than a year.

Then the legislation came along and, as I understand it, the legislation says there must be six months notice. It so happens that it did not come into effect until January 1, and this man had been notified before that date.

**Mr. Nesbitt:** No, he had not been.

**Mr. Gardiner:** I understood from what the hon. member said that the order in council was passed before that.

**Mr. Nesbitt:** Perhaps I should clear that up. I realize the facts are somewhat complicated. What happened was that apparently this order in council was passed in 1953.

**Mr. Gardiner:** What was the order in council in 1953?

**Mr. Nesbitt:** Setting out the regulations and the conditions precedent—in other words the procedure—with which a person who wished to remain on after the age of 65 years had to comply. There were certain things the department had to do. The department was to give notification six months in advance of the retirement age that such a person was to be retired at a certain age, and if the person wished to remain on he had to inform the department thirty days before the retirement date, and had to have a medical examination.

**Mr. Gardiner:** I understand now that the regulations were drawn up in 1953 and applied when the act came into force. The act came into force on January 1. So far as this man was concerned, there was not any six months period to carry that out.

My understanding of the case is that there were several men below him who were younger and who, until someone did retire, would have no opportunity for promotion. The promotion in this case was possible because those persons were there. The officials in the department simply took the position that this man should be retired and the other men advanced to his position. I must say I cannot take very strong exception to that procedure. However, I shall look into it and see what happened in this particular case.

I looked into one case within the last three weeks concerning which someone from the other side of the house had written to me. This individual had been dropped off and the case was reconsidered. The circumstances were not just the same as the one the hon. member has brought to my attention. There were not so many other persons available, or who were in a position where they had to be held back so long as this man was kept on.

However I shall have the matter investigated, and if there is any possibility of doing something about it, I shall have it done. But there may be the possibility that there would be no opportunity to do anything.

**Mr. Hosking:** I will talk it over with Clark Murray and keep you informed as to his opinion of the situation.

**Mr. Quelch:** I wonder if the minister could answer the question I asked about livestock marketing. What governs the amount of the initial payment under the Agricultural Products Co-operative Marketing Act? The act states up to 80 per cent of the average cost per year. What determines whether it would be 60 per cent, 70 per cent or 80 per cent?

**Mr. Gardiner:** Under the co-operative marketing act of 1939 it is provided that any organization may apply for the right to operate with the assistance of that act. The act provides that the board which is set up to handle the operations of the act may guarantee up to 80 per cent of the average price of the last three years in order that the organization may go to the bank and make arrangements for an initial payment on the product. The limit is 80 per cent; but anyone who desires to operate under that act, either by correspondence or by coming here and meeting the board, puts up a case for their particular product. The officials

here naturally try to keep the guarantee down to where the government is not likely to be liable for any payment.

Then the arrangement as to what the percentage is to be is made. Some percentages have been down as low as 25 per cent, and one has been up to 80 per cent. That was in respect of Ontario cheese. The board that handles cheese in Ontario has had to guarantee 80 per cent of the price of the last three years. In that case 80 per cent of the price was 24 cents. They got a guarantee at the bank from this department. They went to the bank and borrowed sufficient money to make the initial price, based on the 24 cents, to the cheese producer. Then they go ahead and sell the product and at the end of the period we must pass an order in council giving them the authority to pay out anything that they have left before they are able to pay it out, and they pay that out as an interim or a final payment. That is the basis on which it works. It is a matter of agreement between the persons who come here and ask for it and the board who handles it.

**Mr. Quelch:** This is the only other question I want to ask. I noticed that when the minister was in Saskatchewan the press carried a statement that no support price would be allowed to the livestock marketing board. Does that mean at this time? For example, if the price fell and a support price was given to the packers, would that apply also to the marketing boards then?

**Mr. Gardiner:** No, no; I did not say—

**The Deputy Chairman:** Order; just before the minister replies may I say I think the question the hon. member for Acadia is asking comes under item 35.

**Mr. Quelch:** No, item No. 40, agricultural products board.

**The Deputy Chairman:** I understand we are at item No. 34. Item No. 35 is a livestock item; item No. 34 has to do with fruits and vegetables. I would like to dispose of it.

**Mr. Pallett:** I have a question on item No. 34. Can the minister say whether or not consideration has ever been given to setting up farm marketing agreements similar to those set up in Ontario under the Ontario farm marketing act with respect to fruits and vegetables sold for processing. I refer specifically to those fruits and vegetables that are taken interprovincially for processing, and therefore at times in the past they have escaped the requirement of being sold on grade. Can the minister comment on that?

**Mr. Gardiner:** Arrangements were made during the war under the contracts which were made at that time under which we assisted in Nova Scotia in the matter of having apples canned and dried and sold as dried apples; in other words, having them processed in different ways. But that was an arrangement made under the War Measures Act during wartime, and continued in so far as that kind of assistance was given after the war. But there have not been any other arrangements of that kind at any time.

The other matter that the hon. member for Acadia asked about is in this position. I am not sure that I completely answered his question.

**Mr. Quelch:** This comes under the next item.

**Mr. Gardiner:** Yes. My hon. friend said that I had said something when I was out in Saskatchewan.

**Mr. Quelch:** The press carried a statement that the minister had said that there would be no support prices under livestock, and I do not know whether that meant at this time on account of the fairly high price of livestock or whether the minister meant that even though a situation developed where a support price was paid to the packers it would not be paid to the board.

**The Deputy Chairman:** Will the committee please help the chairman to keep livestock away from the fruits and honey?

**Mr. Pallett:** The minister answered one-half of my question and not the other half. The second half was in respect to maintaining the grade of the fruits and vegetables that are transported interprovincially for canning. Are there any provisions by which the consumers can be protected in the purchase of canned goods where the raw fruit is carried from one province into another and processed there? Within certain provinces there is protection, but I wonder whether there is any protection when the fruit is taken from one province to another for canning purposes?

**Mr. Gardiner:** No, we have no regulations or grades for fruits that are to be canned; that is, we have grades of apples that are sold fresh and grades of other fruits, but not if it is to be canned.

Item agreed to.

35. Livestock and livestock products, $1,470,981.

**Mr. Quelch:** I should like to ask whether the same formula is in operation now as the minister mentioned some three years ago: that is, the base for 1943, 1944 and 1945. Is that changed?

**Mr. Gardiner:** That still stands. I cannot guarantee that in every case we have been

exactly able to meet conditions, but that does stand. With respect to the other matter, it was not a case of saying that it could not apply on the request that was made. I met the farmers' union executive in Saskatoon when I was west, and they indicated that they wanted to set up a marketing board under the provincial act. They asked me if the government here would agree to setting a floor price under cattle and hogs. I said we already had a floor price under hogs, 23 cents. I said, so far as cattle were concerned—and I think I reported it to the House of Commons after I came back—if we set a floor price which was higher than the United States price we would have United States cattle coming over here and it would do us more harm than good. If we set one which was lower than they were able to get in the United States, we would perhaps be criticized for that. I said, I did not think it was sound to ask us to put a floor price under cattle because the floor price was now up to the price in the United States, and it is in all probability higher than anything we could put on.

Then, the next question was: Well, is there any way in which we can get any assistance under the existing law? I said: Well there is an Agricultural Products Co-operative Marketing Act which makes it possible for you to get up to 80 per cent of the average price of the last three years, and you can operate under that. Well, now, my understanding is that the next day when they went before the open meeting of the farmers that is what they recommended. The other statement I made was with regard to the fact that they were told that this application which had been made to me could not be accepted by the government here.

**Mr. Quelch:** On the other hand, if a situation developed where the market price fell below the support price and you started to take the surplus from the packing plants, would you also do the same thing for the marketing boards?

**Mr. Gardiner:** I do not understand.

**Mr. Quelch:** Would you take the surplus off their hands in the same way that you would take it off the hands of the packing houses?

**Mr. Gardiner:** The provision at the present time is that we do not take anything off anyone's hands. We go on to the market and offer 23 cents at least for hogs and we have been there all the time. If anybody else will pay more than that, we do not get any hogs. Therefore we have not had any since the beginning of last year.

**Mr. Quelch:** Would it not be different if we had a compulsory board?

**Mr. Gardiner:** No, the compulsory board would be a provincial thing and the actual request made to us was as to whether we would allow the provisions which are already there and the authority we have in connection with interprovincial trade to be transferred to some board they might set up in, say, Winnipeg, to handle stocks arriving there, and I said that every organization that had applied for that assistance had received it and I did not know any reason why they would be turned down.

**Mr. MacLean:** Mr. Chairman, I have had repeated complaints from the canners of chicken to the effect that they are required to can their products in a can of a certain size, the regulations governing which are, I believe, laid down by the Department of Agriculture. United States competitors are allowed to put cans of an odd size on the market in competition with our own producers. One specific case is that the Canadian canner has always to conform to a seven-ounce tin, but the United States producer can compete in the same market with a five-ounce tin which the Canadian canner is not allowed to use. The United States produces a product which looks like a bargain until you read the small print and, in fact, it is not a bargain. The Canadian producers feel it is unfair that they should be subjected to a regulation which does not apply to their United States competitor. I understand the minister's department has no jurisdiction over imported products but I bring this to the attention of the minister in the hope that he will see fit to discuss it with his colleagues with a view to seeing whether the American import can be subjected to the same regulation as is applied to the Canadian product. Would the minister like to comment on that?

**Mr. Gardiner:** We established the present regulations in 1943 and I believe there were some regulations prior to that. But these regulations were established at the request of those who were concerned with that trade. The objection was raised that the cans carry small print and usually one does not read it and it is only after you get home that you find you have not got as much as you thought you had. The canners here asked that that be made impossible here and that there be a certain size of can named in the regulation. I think everyone will agree that is probably a good thing, but we have no way of telling the United States that their producers cannot ship their cans in here unless they are of a certain size. We can only say

that we think our products are such that you know what you are getting when you buy them, and hope that our people will buy them in preference to the United States product. Our department certainly cannot stop it although I can discuss it with my colleagues. Even then I do not know whether we can stop it.

**Mr. MacLean:** There is no objection to the particular size of the can. It is just that the United States producers can come in with a slightly smaller can and complete with our own producers. Two things might be suggested. One, that there might be an agreement made with the United States government requiring their producers to put their products for export in a certain size of can, or two, the department could make the regulations which apply to our producers the same as those which are applied in the United States with regard to the size of the can.

**Mr. Cardiff:** Mr. Chairman, I feel certain this is the item on which I wish to ask a few questions. The first is, how much pork was canned according to the specifications of the agricultural prices support board during 1952, and also in 1953? Second, how much was sold? Third, how much is still held? Fourth, what is the loan or pork subsidy, or whatever you like to call it, up to date? Before the minister replies I would also like to ask a few questions regarding beef. How much beef was processed, and how much was purchased and held alive? How much was sold, and how much is still on hand? Finally, what was the loss on that deal?

**Mr. Gardiner:** If the hon. member will wait a moment I will give him the exact figures. Perhaps in the meantime we could pass on to another item.

**Mr. Zaplitny:** Mr. Chairman, I would like to follow up the matter raised by the hon. member for Acadia in connection with the livestock marketing board. I wonder if the minister could tell us whether the organizations in Saskatchewan and Manitoba, or any of the other provinces, have negotiated with the board in any way in an attempt to arrive at an initial price which could be guaranteed by the board and whether the negotiations have reached the stage where the price was actually discussed?

**Mr. Gardiner:** I do not think they have got to that stage as yet. As the hon. member knows, the board has to be set up under the provincial act and they have not accomplished that up to now. So far as I know there have been discussions in Manitoba between the farmers' union and the Manitoba government and in Saskatchewan between the farmers' union and the Saskatchewan government, but they would not make any application to us until the board is set up.

**Mr. Zaplitny:** The board must be set up first?

**Mr. Gardiner:** Yes.

**Mrs. Fairclough:** Following up the remarks made by the hon. member for Queens on the matter of the importation of canned chicken, I would draw the minister's attention to the fact that the United States department of agriculture certainly requires exporters of canned goods from this country to adhere to the regulations set down by their department and I would think that we could make our own regulations apply in the same way.

**Mr. Gardiner:** When we were shipping canned pork into the United States we had to conform to the labels and markings they required and things of that kind and it was a matter of negotiation because we wanted to sell our pork there and we wanted it to go into their market at a price satisfactory to them, otherwise they would have added duty and we would have received no more for that pork. Therefore, we made that arrangement, and one part of it was that we put a certain type of label on the cans.

**Mrs. Fairclough:** But, Mr. Chairman, this is not a matter of canned pork. It is a matter concerning anything shipped to the United States in cans and our exporters have to conform to their regulations in so far as the size of the can and the labels are concerned. That applies equally to fish, fowl, fruits, vegetables, and practically everything that we put in cans.

**Mr. Gardiner:** I understand they have to approve these things but we do not necessarily have to change the labels on all types of foodstuffs. Their regulations are intended to prevent their people being misled, and that is why they raised the objection.

**Mrs. Fairclough:** I must say I support the representations made by the hon. member for Queens because, as some of the officials of the minister's department know, I had a good deal to do with the department before this standardization was put into effect back in 1943, if that is when the minister said it was.

**Mr. Gardiner:** I think it was 1943; yes.

**Mrs. Fairclough:** It was quite a hectic job. As he said, the motive was to try to get around misrepresentation. But what is the

good of getting around misrepresentation on the part of canners and packers in this country if we are going to permit shippers in the American market to undercut our own people?

**Mr. Gardiner:** I will take up the matter with the other departments.

**The Deputy Chairman:** Shall the item carry?

**Mr. Cardiff:** No, Mr. Chairman, the item is not carried.

**Mr. Gardiner:** As to canned pork the amount is 98,294,076 pounds. It is all sold or arranged for. It has perhaps not all been shipped but it is all sold. The total received for it was $27,262,756.90. The loss was $31,911,076.48. That is the pork. I am getting the same figures for the beef. It was all bought in 1952. None of it was bought in 1953.

**Mr. Cardiff:** I did not know whether any was processed in 1953.

**Mr. Gardiner:** As to beef of all kinds—of course, this was quite a different deal, as is understood; it was largely frozen meat—the amount was 94,434,988 pounds; the amount received was $10,516,511.19. The loss there was about the same as that for pork; it was $33,408,941.15.

**Mr. Cardiff:** Thank you.

**Mr. Nowlan:** Can the minister tell us whether there was a different price for quality or grade? In other words, how much a pound did we get for canned pork as it was sold, and to what countries was it shipped? Some of it was shipped to Russia, I understand, and some probably to other countries. Can the minister give us the information with respect to that matter?

**Mr. Gardiner:** There were 60 million pounds of it sold in Canada and approximately 4 million pounds in the United States. The remainder of it was sold in other countries.

**Mr. Nowlan:** As to the 60 million pounds sold in Canada, was that for local consumption?

**Mr. Gardiner:** Yes, that was for local consumption.

**Mr. Charlton:** What was the total amount that went behind the iron curtain? Was it just this last 9 million pounds?

**Mr. Gardiner:** We have no direct information on that. As the Minister of Trade and Commerce said the other day, that department issued a permit to Canada Packers to ship some to Czechoslovakia, I think it was, which probably would be behind the iron curtain. But we sold the product to Canada Packers. We sold it to a number of different sources but some of it was sold to Canada Packers. The condition put on the sale was that the product had to be sold off this continent. That was done in order to meet regulations in the United States and so on and also to avoid its being distributed here at prices at which it was sold. It went to European countries largely. It was sold by local people. The amount that went to Czechoslovakia I think was sold by Canada Packers. I am not certain whether any of the others sold any there or not so I will not attempt to give any figures as to just what was sold.

**Mr. Drew:** Mr. Chairman, this is a point that the minister himself has now brought out in some detail. After all, this relates to arrangements made by his department. Can the committee not now have figures as to the sales to the countries beyond the iron curtain? He has mentioned Czechoslovakia. He has not mentioned the 8 million pounds sold to Russia. Can the minister give us the figures for the sales to countries beyond the iron curtain and the arrangements that were made in each case?

**Mr. Gardiner:** Yes. The Leader of the Opposition is perfectly correct. The product was handled by our prices support board in our department. But when it became a matter of its being shipped out of Canada there had to be permits from the Department of Trade and Commerce. In so far as we were concerned, there were 12 million pounds sold to Canada Cold Storage; there were 9 million pounds sold to Canada Packers and there were 13 million pounds sold to a combination of Canada Cold Storage and Canada Packers. Then there were 300,000 pounds sold to Vianda Limited of Switzerland.

**Mr. Campbell:** Can the minister give the prices received along with the quantity?

**Mr. Gardiner:** The first sale was at 15 cents; the second was at 15¾ cents; the third one was at 16 cents and the fourth one was at 16·65 cents.

**Mr. Drew:** Where is the head office of Canada Cold Storage?

**Mr. Gardiner:** Montreal.

**Mr. Ferguson:** May I ask whether the minister knows whether Canada Cold Storage is affiliated in any way with Canada Packers? Is Canada Cold Storage Company a regular packing company operating in Canada the same as is Canada Packers or are they a selling agency only?

**Mr. Gardiner:** No, they are not a packing plant at all; they are a storage concern. So far as we know they are not associated with Canada Packers.

**Mr. Drew:** The minister has explained very simply that these transactions are carried out, of course, by the prices support board which actually bought the meat in the first place and arranged for its storage. Will the minister suggest to the committee that discussions did not take place with regard to where this meat was going before the sale took place? Before I ask that the question be answered, may I say that what I mean by that is this: Was there not discussion as to the destination of this meat before the arrangements were made for the sale of it?

**Mr. Gardiner:** We knew that the first 25 million were going to West Germany, that is, the 12 million and the 13 million, before it left our hands. We did not know where the 9 million were going. We made it a condition that it had to go off this continent, but we did not know where it would go. After they got it we could not impose any condition that they could not sell it in one place or another.

**Mr. Drew:** As I understand it, the figures that the minister has given are 12 million to Canada Cold Storage at 15 cents, 9 million to Canada Packers at 15¾ cents, 13 million to Canada Cold Storage at 16 cents and 300,000 to a Swiss firm at 16·65. Is that right?

**Mr. Gardiner:** That at 15¾ was what was sold to a combination of companies, Canada Cold Storage and Canada Packers. That is the 13 million pounds at 15¾. The amount sold to Canada Packers alone was sold at 16·65.

**Mr. Drew:** Is that the 9 million?

**Mr. Gardiner:** That is the 9 million, and the 300,000 was sold at 16 cents.

**Mr. Drew:** Does the minister inform the house that at the time the sale of the 9 million at 16·65 was effected it was not then known that a permit was to be granted for the export of that to Russia?

**Mr. Gardiner:** The fact is that so far as the 9 million pounds are concerned Canada Packers, so far as we knew—and I think it is correct—bought it on speculation. They probably knew at what price other sales had been made and they bought it on speculation. We did not know where they were going to sell it. So far as I know they did not know, and eventually they did get an offer from Czechoslovakia, I think it was, and they got a permit from the Department of Trade and Commerce. That was simply a permit to ship, as I understand it, to the country to which it had been sold. We had no idea where Canada Packers was going to sell it before we sold the 9 million pounds to them. We just made the condition that it must be off this continent.



**Mr. Drew:** Just so we will understand this clearly, what was the date of the sale of the 9 million pounds to Canada Packers?

**Mr. Gardiner:** January 25 by tender.

**Mr. Drew:** What was the date of the application for a permit by the Czechoslovaks in relation to the sale which went to Russia?

**Mr. Gardiner:** I have not got the exact date. I do not suppose the Minister of Trade and Commerce has either, but I am told it was either towards the end of March or in April.

**Mr. Drew:** But before that meat left it was known that the destination of the consignment that was being bought by the Czechoslovakian representative was in fact Russia.

**Mr. Gardiner:** When they got a permit to ship of course they got a permit to ship it to some place—Czechoslovakia.

**Mr. Drew:** That is all I want to know. At the time the government gave the permit for the sale of that 9 million pounds it was known that the destination of that order arranged through Czechoslovakian agents was Russia.

**Mr. Gardiner:** I do not think it was Russia, I think it was Czechoslovakia.

**Mr. Howe (Port Arthur):** Czechoslovakia.

**Mr. Gardiner:** Which some people have said is behind the iron curtain.

**Mr. Drew:** People do not say; the minister knows it is behind the iron curtain.

**Mr. Gardiner:** I do not know it was Russia.

**Mr. Drew:** Unless Czechoslovakia has been freed today it is still behind the iron curtain.

**Mr. Gardiner:** It would not be Russia, it would be Czechoslovakia.

**Mr. Drew:** There has been no question so far about the fact that the destination was Russia. Does the minister suggest that the destination of that pork was not Russia?

**Mr. Howe (Port Arthur):** There is a system of area control and the regulations are uniform for the United Kingdom, the United States and Canada. Certain items are listed as strategic. No permits can be issued for them. Certain others are listed as subject to permit. Canned meat happens to be listed

as subject to permit. We got an application from Canada Packers to issue a permit. I cannot say whether the destination was Czechoslovakia or Russia. I think it was Czechoslovakia. They are exactly the same as far as area control is concerned. They are both behind the iron curtain and both subject to area control. We consulted with those who maintain the area control, found that it was perfectly in order to issue a permit, and the permit was issued.

**Mr. Drew:** I have no desire to create any uncertainty about it, but I have reason to believe that Russia was the destination of that 9 million pounds, and I am not basing that upon press reports or otherwise.

**Mr. Gardiner:** There is no question from what the minister has said that it could go to Russia from Czechoslovakia.

**Mr. Drew:** I ask the government if there is any question about the fact that this was in fact consigned to Russia. I only do it so that we will understand what the transaction was.

**Mr. Howe (Port Arthur):** I would be glad to find out, but frankly I do not know. I did not sign the permit.

**Mr. Drew:** So that we will understand this, and inasmuch as the Minister of Trade and Commerce still has certain items, may I ask him to find out the date of the application, the name of the purchaser, the name of the consignee and the information that was given as to the place where the pork was to be delivered.

**Mr. Howe (Port Arthur):** I will do better than that. I will file a copy of the export permit.

Item agreed to.

*36.* Marketing of agricultural products, including temporary appointments that may be required to be made notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed $6,000, $100,000.

**Mr. Charlton:** Item No. 40 has to do with the agricultural products board and then there is a board under the Agricultural Prices Support Act. Would the minister say what this item for the marketing of agricultural products includes?

**Mr. Gardiner:** I wish the hon. member would look up at the microphone. I could hear him better when we did not have these machines.

**Mr. Charlton:** What comes under item 36?

**Mr. Gardiner:** Item 36 is marketing of agricultural products, including temporary appointments that may be required to be made notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed $6,000. Under that item we can appoint persons to do marketing for us, the expenditure not to exceed $6,000, without going to the civil service commission. That is all that means, and the item provides $100,000 to be used to assist in marketing farm products.

**Mr. Charlton:** In what way is it used to market farm products? The Agricultural Prices Support Act administration markets farm products. Then there is the agricultural products board under item 40. What is the object of this? Do they do the same work as the agricultural prices support board?

**Mr. Gardiner:** The greater part of this amount is used for advertising farm products. We advertise, for example, that butter is better. We used to have that advertisement in every store where butter was being sold, meaning of course that it was better than some other things sold there also. We paid for that, and we have had similar advertisements in connection with other products. This is the vote which provides for that.

**Mr. Michener:** Can the minister say how long this provision permitting employment of salesmen for agricultural products outside of the civil service regulations has been in effect?

**Mr. Gardiner:** It has been in effect ever since that vote has been in here. I am not sure that the amount has always been $6,000. But with an amount of $6,000, if we employed one person that amount would not provide for his employment for more than a year, and it would probably be for a part of a year.

**Mr. Michener:** Perhaps the minister could inform the committee as to the number of people who are now employed and paid under this grant and the longest term of service of any of them now employed.

**Mr. Gardiner:** The figures are given on page 111 of the book of estimates. It shows that casual assistance amounted to $4,800, and it was $4,800 last year; travelling expenses, $2,400, and it was $2,422 last year; telephones and telegrams, $200 last year and we estimate the same this year; publication of reports and other material, $5,000 last year and we estimate that for this year; advertising and other publicity, $35,000 each year; office stationery and supplies, $200 each year; marketing projects, $52,300 this year and $52,278 last year. Then, there is $100 for sundries.

**Mr. Michener:** The details on page 111 do not seem to indicate that there is anyone employed.

**Mr. Gardiner:** The first item is for casual assistance. It does not mention any one person, but that is the amount that was spent.

**Mr. Michener:** That is the total amount for salaries for the whole item. There is not a large staff maintained?

**Mr. Gardiner:** No. As a matter of fact, we might employ a person to go out and put in these ads or draft these ads for us, something of that kind.

**Mr. Ferguson:** May I ask what advertising was done? Was it to sell products the government owned or to stimulate the purchasing of various products?

**Mr. Gardiner:** It is to stimulate consumption of a product of which we might think, if it were not stimulated, we might have a surplus. For example, we put advertisements right across the country to the effect that "butter is better". We thought we had some butter to sell.

**Mr. Ferguson:** The government had butter to sell.

**Mr. Gardiner:** No, not necessarily the government. We thought if it were not sold it would pile up, and we would have a surplus of it so we tried to advertise it.

**Mr. Ferguson:** That is another benefit for the farmer.

**Mr. Gardiner:** It could be the storekeeper who had butter or the person who had it in storage, not necessarily the farmer.

**Mr. Ferguson:** The greater portion of the interest would be to sell that butter for the dairy farmer. They would be the parties to reap the benefit, not the storekeeper. No storekeeper would keep enough butter on hand to be worried about storage. These advertisements would be primarily of help to the farmer in the sale of the product. I do not believe the farmer or the public are aware of that fact.

**Mr. Gardiner:** No, the request was not made by the farmers.

**Mr. Ferguson:** No.

**Mr. Gardiner:** It was something that the people who are interested in producing butter and delivering butter discussed with the government. I believe they actually did have a certain amount put on butter in Ontario for that purpose. They took a cent a pound off the payment that they got, and then we put in an extra amount in order to make the amount greater, and the ads were put out all over the country.

[Mr. Michener.]

**Mr. Ferguson:** I am in entire agreement with advertising these products. The fruitgrowers of California do the same thing to stimulate the purchase of their products. I am just wondering if every department in government as well as the Department of Agriculture have little caches of money hidden away with which they could carry that idea a little farther. I am glad to see the farmer get it, and particularly the dairy farmer. Does the same condition apply to almost every department of government? Do they have a $35,000 item with which they can say we can just help along Joe, and then he will vote for us for sure? If that is the case, it is a very handy sum of money.

**Mr. Gardiner:** I just want to say one thing. We have advertised a lot of things like onions, potatoes and so on. I want to assure my hon. friend that the item has never been hidden away. It has been stuck right out in front every time, and has been voted upon.

**Mr. Ferguson:** I should like to see an ad from another department that would read, "Buy your ships and build them in Collingwood". We hear talk about prices dropping by 30 per cent, but in our shipyards there has been a drop of about 100 per cent and that affects my home town. It is pretty near time this government did something about that.

**Mr. Dufresne:** I should like to know if the Department of Agriculture ever sold meat or butter at military camps for consumption by the armed forces at very cheap prices?

**Mr. Gardiner:** The only meat that we have sold so far as I can recall is some of the beef that we accumulated when we were fighting foot-and-mouth disease. I do not believe it was sold at lower prices. I think it was sold in competition with others. Everyone had to bid for it. When we had that meat, we put in bids and sold it.

**Mr. Dufresne:** Has the minister any idea of the price at which it was sold?

**Mr. Gardiner:** The beef, I understand, was sold at around 30 cents.

**Mr. Dufresne:** I have asked this question because I am informed that at Valcartier Camp near Quebec some surplus pork and beef is being sold now to private enterprise in the city of Quebec at about 18 cents a pound. I should like to know from where that surplus comes?

**Mr. Gardiner:** We would not know anything about that. The hon. member had better bring that up on the defence estimates and have it answered.

Item agreed to.

Terminable services—

37. Freight assistance on western feed grains, $17,000,000.

**Mr. Cardiff:** Each year this item for freight assistance on western feed grain comes before us, and generally it is extended for another year. I hope it will be extended again. We in the east like to take advantage of that if we can. If it were not for the fact that we receive some assistance in connection with western feed grain we would not use nearly as much as we do. I have asked quite a number of questions tonight, and up until now I have not been critical of the minister. I am going to be critical at this moment because the minister represents the Dominion of Canada, and he is responsible for the policy that is formed by the government.

If the western farmer were getting what we have to pay for this grain I would not think so much about it, but he is not getting that price. We are paying too much for the grain at this end. There is a large disparity between what the western farmer gets for the grain, and what we have to pay for it. I should like the minister to tell me why there is such a difference in the price?

**Mr. Gardiner:** As I understand the question, Mr. Chairman, it is why someone pays the western farmer a certain price for his grain, and so far as we are concerned it is the wheat board—with others buying oats, barley and so on—and why it costs the farmer in the east so much more to get it? Well, I do not know that it is up to me to explain that. It is not anything over which we have control. We pay a very considerable part of the freight from Fort William to the east; and to the extent that the freight is paid it tends to put the price down, not up. When it gets into the hands of the dealer in Ontario, Quebec or the eastern provinces, or in British Columbia they do all kinds of things with it.

In the first place as a rule they grind it, and then they mix it with other kinds of feed to suit different animals at different ages. Then they put it in a very fancy bag, as a rule, with all kinds of inscriptions on the bag. We have no way of checking that, to find out what these costs are.

When I see a man with a trailer behind his car taking home five or six bags, sometimes I wonder why it does not cost him more, because there is so much cost in doing it that way. When I was in Ontario they took the feed home, and many of them still do. Some of them have trucks today and take it home by the truckload. Others took it home with a team and wagon, a real load of it. And it is very difficult to understand how the cost could be other than a high cost if you put only five or six bags on a trailer behind a car every time you want a little feed. If you run into town with a trailer and pull it out every few days, it is bound to have a high cost.

**Mr. Cardiff:** That is not the answer at all. No doubt there are those who do that, but that is not the answer. The fact of the matter is that we have to pay too much for this, and there is too great a spread. I think the Minister of Agriculture is responsible to some extent.

**Mr. Gardiner:** No, he is not. The minister of agriculture in Ontario is, but I am not.

**Mr. Cardiff:** Oh, well, now you are the minister acting for the Dominion of Canada.

**Mr. Gardiner:** I have nothing to do with the miller in Ontario. He gets the grain and it is his grain. If he is going to sell it to a farmer in Ontario I have nothing to do with it. That is provincial.

**Mr. Cardiff:** The dominion government controls this whole thing.

**Mr. Gardiner:** No, they do not.

**Mr. Cardiff:** You could have control over it if you wished to use your facilities to control it. And that is one place where you have fallen down, when you do not protect the farmer in every part of Canada. We have had ministers of agriculture from the west—

**Mr. Gardiner:** You are telling me one of two things, either that the farmer out west is getting too little for it, in which case I am not getting him enough, or that the fellow down here is paying too much for it.

**Mr. Cardiff:** That is true.

**Mr. Gardiner:** You will probably have to split it in the middle.

**Mr. Cardiff:** If the farmer in the west were getting a high price, it would not be so bad. But he is not getting the price. They are not getting any great amount of money after they have grown it out there. And when I get it in Ontario I have to pay more than I can afford to pay for it as feed, to feed it at a profit. And we would produce far more hogs and far more cattle if we could get it, perhaps more than you would want.

**Mr. Nowlan:** The minister knows that I have spoken on this subject every year since I came to the house. When I first came here it was a matter of an interim vote in the supplementary estimates. I remember two years ago I asked the parliamentary assistant—the minister was away and perhaps I took an unfair advantage—when this would become part of a permanent government

policy, and he intimated that perhaps it had. The fact that it is now in the main estimates indicates that it is now permanent government policy. I do wish to say I appreciate the fact that it is contained in the main estimates today, rather than have to wait six months as we have heretofore to find out whether it is to be voted or not. This is welcomed by the farmers in the east.

I can tell the minister that last July and early August I was engaged in a certain field activity, as were other hon. members in the house including, I presume, the right hon. gentleman. And more than one farmer to whom I happened to go during those hot July days said, when I asked him if he would vote for me, "Well, if you can tell me why middlings are so blinkety-blankety high I will vote for you". I said that if we were elected and Jimmy Gardiner was not I would reduce it.

**Mr. Macdonnell:** After all, the minister has here a vote of $17 million, which is a lot of money. How is that money allocated? One can understand the purpose of it; but does not the minister's department supervise the allocation of it? And to that extent is there not a certain control over the trade?

**Mr. Gardiner:** We check it carefully. And I must say that if what my hon. friend said a moment ago could be proved I would have great difficulty in having this vote accepted by the government. I have not had it proven to me, nor have other members of the government had it proven to them, that somebody is getting away with some of the freight payments we have made.

**Mr. Nowlan:** But you suspect it.

**Mr. Gardiner:** And they would have to be getting away with it in order to bring about the condition described a moment ago. I do not really think it could be proven, and my reason for saying that is that these other costs are added on. It may be argued that they do not need to be added on at all and should not be there; but that is not the way we check. We have checked the question as to whether that grain left Fort William worth a certain amount of money, and when it got into the hands of the dealer it represented a certain amount there.

Now, if you begin adding all these other things—mixing, and adding fishmeal and a lot of other things—and sell it out at so much per hundred pounds it is difficult to get back to the price as between the western farmer and the farmer who bought the grain here. But if the idea that has been suggested could be proven, I am afraid no freight payments would be made.

[Mr. Nowlan.]

**Mr. Cardiff:** We are not kicking about the freight payments. You have said it is the dealer who is responsible. All right; we will find out if it is the dealer who is responsible. But if it is not the dealer, then somebody else is. And I would like to know who it is.

**Mr. Gardiner:** That is exactly what I said at Niagara Falls. The farmers were all there, and they were arguing this question for an hour—that the thing to do was to prove that the dealers were responsible, and then something could be done about it. Some of them thought they were, and kept insisting that they were. I say that if you are going to try to judge that, it can be done in the province of Ontario, by the government there, or in any other province.

**Mr. Zaplitny:** Would the minister give the actual figures paid out for this freight subsidy in the last five years?

**Mr. Gardiner:** I have the figures here since we started. We have paid out a total of $208,711,753.87.

**Mr. Zaplitny:** What years does that figure cover?

**Mr. Gardiner:** I believe that averages $6.16 a ton. The figures for the last five years are as follows:

| | |
|---|---|
| 1949-50 | $16,764,004 |
| 1950-51 | 15,637,786 |
| 1951-52 | 14,999,239 |
| 1952-53 | 20,465,579 |
| 1953-54 | 16,724,647 |

I should add that part of the figure for 1953-54 is a forecast.

**Mr. Campbell:** This complaint of the eastern farmers regarding the cost of feed to them is not something new; it has been going on for a good many years. I am wondering whether the department could not encourage some form of co-operation among those eastern farmers so they could buy their grain direct from the wheat board in carload lots, bring it into their district and distribute it themselves. I think it would cut down the cost of the feed by at least one-third.

**Mr. Gardiner:** There is nothing to prevent any group of farmers down here from getting together and buying direct from the wheat board or from any other organization such as the pools out there. That could be done. But the individuals have to take the initial action in connection with it.

**Mr. Charlton:** The only difficulty as I have stated before on many occasions in the agriculture committee, is that your delivery date must be extended to almost three or four months when ordering from the wheat board direct or from any other branch. The only way you can get feed and get it at the

time you want it is to get it through the dealers. If there is any way in which the wheat board can guarantee a reasonable length of time for delivery I am sure many farmers would buy direct, and many groups of farmers would buy direct, but they have not been able to get delivery of it probably for months after ordering. That is why they will not buy it.

Item agreed to.

44. Prairie Farm Rehabilitation Act and water storage, $3,899,245.

45. Major irrigation and reclamation projects in the prairie provinces, $7,077,747.

**Mr. Drew:** I wish to make some remarks in regard to item 44. A few days ago we were discussing wheat and, as I mentioned at the time, that seemed for a while to develop into a private war between the members on both sides of the house from the province of Saskatchewan, although there were members from other parts of the country who had a very real and deep concern in this subject. There have been occasions when one of the most important questions arising under this present item seems to have been regarded as a private subject of dispute between members of this house coming from the province of Saskatchewan. I am referring to the question that has been before us on different occasions regarding the South Saskatchewan dam and irrigation project.

I wish to speak not merely as the Leader of the Opposition but as a member of this house representing an Ontario constituency. I regard this as a question of concern to every Canadian. It is important that we recognize it as a subject that is of interest to every Canadian. During the present session we have been discussing on different occasions the development of the St. Lawrence waterway and power project. On other occasions we have been discussing developments in other parts of the country, and I say to the credit of the members coming from parts of the country distant from the St. Lawrence seaway and power project that I have heard at no time any suggestion that this should not be supported because it was not something that brought an apparent immediate advantage to their own constituencies.

As Canadians in this house we have welcomed the information that came to us that the St. Lawrence waterways and power development would be proceeded with. As Canadians we have welcomed other developments that contribute to the general advancement of Canadians. I suggest that this long debated and very long discussed question of the South Saskatchewan dam will best be examined in the right perspective if we remove it from any suggestion that it is only a question of direct interest to the people of Saskatchewan. I prefer to believe that this is a matter of just as direct concern to the people of the rest of Canada as is the St. Lawrence waterway. True, it is not as large a development; true, the amount expended would not be as great; the electric energy produced will be, in relative terms, comparatively small. The amount, however, would be very large for the area that would be affected and the benefits would be immense to the country in which the development would actually take place. We have before us now under item 44 the provision of $3,899,245 under the heading "Prairie Farm Rehabilitation Act and water storage". Perhaps it would be correct to bring together the three items, 44, 45 and 46 which are in some measure related to each other.

**Mr. Harkness:** Not item 46.

**Mr. Drew:** I recognize that it is primarily the Prairie Farm Assistance Act.

**Mr. Gardiner:** If the hon. member will permit me, it is item 45 under which the South Saskatchewan river project comes, not item 44.

**Mr. Drew:** They are related items. The Prairie Farm Rehabilitation Act and water storage of course is the—

**Mr. Gardiner:** It is the $7 million item that it comes under.

**Mr. Drew:** —item covering the operation of the rehabilitation act which is the act in relation to which certain inquiries were made. Item No. 45, "Major irrigation and reclamation projects in the prairie provinces" amounts to $7,077,747, and would be the item that would directly relate to this project. I recognize that. However, it is convenient if we may proceed on that basis to discuss the subject of these two items together, because the one item relates to the act under which certain inquiries have taken place, and the other is in regard to the allowances made with respect to these projects. I mention that because the engineers working under the Prairie Farm Rehabilitation Act have been doing work in regard to this project which is in fact the basis on which much of the discussion has taken place. In fact, it was the information obtained by the engineers working under the Prairie Farm Rehabilitation Act which was largely the basis of the consideration given to this problem by the commission which was appointed to inquire into this subject.

**Mr. Gardiner:** I have no objection to the two of them being discussed at one time on the understanding that when we get through

with them we shall have the two of them passed and we shall not come back to something else.

**Mr. Drew:** I am quite agreeable to doing it either way. I do it this way because there is a related aspect between these two items. It is under the Prairie Farm Rehabilitation Act that much of the preliminary work has been done in regard to the project covered in item 44 that I am actually discussing—

**The Chairman:** Is it agreeable to the committee to discuss items 44 and 45 together?

**Some hon. Members:** Agreed.

**Mr. Drew:** Now, Mr. Chairman, I believe it would be desirable to go over as briefly as possible the history relating to this particular project. I do not intend to go back to the early discussions held long years ago, though I could do so for while I would not match my memories of Saskatchewan with those of the minister, who has lived there so many years and has grown up with the developments in the province, nevertheless my memories go back many years to the time when I first heard this project being discussed.

However to bring this up to the time when legislation was actually put on the statute books under which consideration was given to this project, I would mention that the Prairie Farm Rehabilitation Act was enacted in 1935 by the Conservative government under Mr. R. B. Bennett. I do not think this is something about which there will be any disagreement between myself and the minister. In fact, to some of the hon. members who have engaged in earlier debates may I just say that I am putting this on the record so as to remove some of the confusion in the Liberal folklore which has been built up on this subject. That act was put on the statute books primarily with the idea of retrieving certain prairie land, especially those of Saskatchewan, from the severity of the drought which had visited those areas.

The building of a dam on the South Saskatchewan river was a local dream of some new development made possible by the fact that the constant flow of the Saskatchewan river between high banks obviously invited the construction of a dam which would permit the development of power as well as irrigation. The building of a dam on the South Saskatchewan would permit the development of a great deal of power in that province and it would be of benefit to well over half a million acres in an area which today is one of the really tragic areas of Saskatchewan and of western Canada.



In that area, as the minister so well knows, there is tragic evidence of homes in which people lived and brought up their families. There are abandoned schools, abandoned churches, and there is the appearance of desolation in many parts of that area which we know perfectly well from the reports before us, and from the evidence of the experimental work which has been carried on, could be made rich productive areas with effective irrigation.

There is, in fact, some experimental development near Outlook in Saskatchewan where some of the finest crops, in a small area of course, are being grown where experimental irrigation has been carried out. As the minister well knows, there are within that area some beautiful homes and some substantial growth of trees which demonstrate beyond all question what can be done with that dry soil if irrigation is carried right through that area.

Now the purpose of this project is to obtain the power, not only for general use but to operate the pumping equipment for the irrigation system and in that way provide the power as well to irrigate an estimated 450,000 acres of land in central Saskatchewan.

This calls for the construction of a dam 205 feet high across the South Saskatchewan river near Outlook at a site at the mouth of Coteau creek. Associated with this plan of irrigation, and inseparable from it because the power is needed for the irrigation project, is the development of 150,000 horsepower from the water head that would be created by this dam. Part of this power would be used to pump water to heights from 15 to 120 feet to irrigate approximately 307,000 acres of the total area. The project also contemplates the provision of water for domestic use, which is greatly needed, in the cities of Moose Jaw and Regina.

This particular part is in an area that is generally known as the Palliser triangle. It was first explored between the years 1851 and 1860 by Captain John Palliser of the Royal Engineers. Warning of the problems ahead was given in his report in which he declared this to be an arid area unpromising for human habitation. It has since then been called the Palliser triangle because of his report.

Now, Mr. Chairman, this possibility has been considered for a considerable time. Engineers working under the Prairie Farm Rehabilitation Act have been examining that site for years, testing the foundation, and carrying out experiments as to the way in which this dam could be constructed. They have reported that this is a practical project.

They have reported that the dam can be constructed. They were right there on the spot near Coteau creek and tests have demonstrated to the satisfaction of the engineers that the foundation is suitable and that there are no practical engineering difficulties standing in the way of the construction of this extremely important dam.

However, in this case the government was not satisfied to take the evidence of its own engineers. I submit, Mr. Chairman, that unless the minister is prepared to say that he is not satisfied with the engineers, who will be paid by the very money we are requested to provide at this time, then it would be proper for him to have accepted their recommendation in regard to the construction of this dam. Either those men were competent or they were not. If they were not then other engineers should be found to do the work. I believe they were competent. I believe the money should be provided for the continuance of their services. I believe those were men who knew best what could be done. Those are the men who have been right on the spot where this project is to be constructed. Those are the men who have examined the structure of the soil and the manner in which the material right there can be used for this particular purpose.

Instead of going ahead on the basis of the recommendation of the engineers who were operating under this department of government a royal commission was established to find out whether this should be proceeded with. But we have no evidence before us, Mr. Chairman, that this government at any time found it necessary to appoint a royal commission to find out whether they should proceed with the St. Lawrence waterway. I do not recall any separate royal commission established to find out whether they should proceed with the deepening of the Welland canal on the most recent occasion that they did so. I do not know that there is any evidence before us that other major enterprises have been subjected to a royal commission of inquiry. On the contrary, the government has said with some pride that it accepted the recommendation of the officials and engineers employed for the particular purpose. Why was it in this case that they were not prepared to accept the recommendations made by the engineers so long engaged in the study of this particular project?

Mr. Chairman, the report of that royal commission raised no question about the engineering possibility of this project. It raised a certain question about costs, however. It is significant that in their approach to this subject those who conducted this inquiry were largely dependent upon the information given them by the very engineers whose recommendations we already have before us. From time to time we have asked questions as to whether the government was prepared to proceed with this project and the government has said on many occasions that it had not yet become convinced that this project was a practical possibility or that the time was right to undertake it.

Mr. Chairman, I need not put on the record again the amounts required to construct this project, according to the estimate of the engineers. They are before us; they are on record. I think those figures are just as reliable as are the figures before us with regard to the St. Lawrence deep waterway or the power project associated with it. I think they are just as reliable as are any of the other projected figures we are called upon to consider from time to time. I will say without any hesitation that the engineers who prepared the estimates in this case have had a much longer time to examine the subject and to study the figures they presented than have those who presented other figures upon which we have been called upon to pass.

I think we should also bear in mind the fact that we are not dealing alone with the construction of a dam; we are not dealing alone with the availability of 150,000 horsepower of electricity. We are dealing with the reclamation of soil which we know to be rich, productive soil if a water supply is made available, and we know that it can be made available in this case. I am not suggesting for one moment that we should disregard costs. I have not yet come to the point where I am prepared to accept the simple statement of the government "What's a million anyway?" I believe we should examine not only millions but single dollars. Nevertheless there are certain things which should be examined in this case or certain values which cannot be disregarded by any Canadian in coming to some conclusion on this subject.

It will be of immense importance to all of Canada if that heartland of southern Saskatchewan is made as productive as we know it can be made. A gesture of this kind should be welcomed—and I am sure it would be—by those from the maritime provinces who seek—and have obtained in certain cases, but not in as many as they would like —certain consideration there; by those from Quebec who have received consideration for certain projects; by those from Ontario who at this very moment are receiving the support of all members in this house for a project which will benefit Ontario but which will also benefit the whole of Canada; by

those from Manitoba and Alberta where they already know the great prosperity brought to the Lethbridge and Taber districts of southern Alberta by irrigation of this kind as well as by the people of British Columbia. They all should, and I am sure would, welcome a gesture of this kind as evidence of the feeling of all hon. members that the welfare and advancement of the province of Saskatchewan is a subject of common concern to every hon. member in the House of Commons as it is to every Canadian.

Let me now see why it is that there is so much difficulty in getting action. Why is it that there has been so much stalling on this matter? Why is it that so many explanations have been given as to why it has not been done? Why was a royal commission used to smother this project instead of proceeding on the recommendations of the engineers, as has been done on other occasions? Mr. Chairman, we have had many explanations but I must confess that hope must be stirring in the minds of some because we have a new statement from the Minister of Agriculture. I find that in Saskatoon on June 10 the Minister of Agriculture held out hope with regard to this project. It was a new hope; it was a new picture. Some of us had not heard this before. Speaking in Saskatoon with regard to this subject, the Minister of Agriculture is quoted in the Regina *Leader-Post* as saying —and I quote the words given in quotation marks in the article—as follows:

> We have been doing all right at clearing obstruction out of the way. There were four when we started discussions and there is now only the one left—the question of power development costs—

Mr. Chairman, some of us will remember that Scotch song, "Last night there were four Marys; tonight there are but three". Now we have it down from four to one in this particular case; we have the four difficulties, which are not mentioned in detail, reduced to one, namely the question of power development costs. That matter is not important; I concede that; but it is a subject that has been known for a long time. Then we come to a quotation that I think requires some explanation. The minister is reported as saying—and again I give what appears in direct quotation marks in the article—as follows:

> I am the advocate of the dam, but I am not the government of Canada.

Mr. Chairman, if those words have any meaning at all they mean simply this: I want the dam but the government will not agree to it; and since I am not the government of Canada, my wishes cannot be carried out. While we are discussing this subject, let us have an explanation as to whether there is a difference of opinion in the government with regard to this matter. We are not prying into the affairs of the government. I am putting before the committee the words which appear in quotation marks and which, unless he has been misquoted, represent the position of the minister:

> I am the advocate of the dam, but I am not the government of Canada.

I repeat that those words mean nothing unless they mean that while the minister advocates the dam, the government does not advocate it.

This project, Mr. Chairman, is one which would provide, on the one hand, irrigation which would create a rich, productive area. This irrigation would once again bring happy homes to those farms which are now, for all practical purposes, in many cases abandoned. It would once again open these schools and bring into existence new and better schools. It would again bring into use these churches in which people have worshipped in the past. It would bring to that area a spirit and a confidence that would have an impact, not only upon that area itself but upon the rest of the province. Above all, it would stand as evidence of the belief of this House of Commons, representing all parts of Canada, that the welfare of the central part of southern Saskatchewan is a matter of common concern to all Canadians.

**Mr. Gardiner:** If my hon. friend is through quoting the article, I have only one criticism to make of what he said. He referred to it as a speech delivered in Saskatoon. It was not a speech. I was being questioned by a reporter of the *Star-Phoenix*.

**Mr. Drew:** Of course, I simply have the information that is contained in the article itself, and it begins with these words:

> Agriculture minister J. G. Gardiner said Thursday night there could be no decision regarding the proposed South Saskatchewan river dam until the question of power development costs had been decided.

With respect to whether it was in the form of an interview or a speech—

**Mr. Gardiner:** I did not make any speech in Saskatoon at all.

**Mr. Drew:** I assume the minister is just as accurate in a press interview as in a speech.

**Mr. Gardiner:** Yes, I am not objecting to that. I just want to point out that it would not be correct to say that I made a speech there and said that. I did not want that quoted across the country.

**Mr. Drew:** I naturally accept that. I simply have the report before me and I have

quoted the opening paragraph that gave me the impression that it was a speech or press interview that is given as the statement made by the minister. Of course, if it were in the form of a press interview, it would still represent a statement made by the Minister of Agriculture with respect to a subject that is now part of the general consideration before us. I do emphasize what I said before, that I am not suggesting that we should disregard costs. The costs, however, are not prohibitive. The costs are relatively small compared with those of a number of projects that have been undertaken by the government. They are comparatively small compared with the costs of projects that have been undertaken by single provinces in the development of their own resources.

I believe this is a practical project. I say so in the belief that the engineers' recommendations are made by men qualified to make such reports, and also because of such personal examination as I have been able to make on the site of the projected dam. There is this further aspect of the subject. Not only would it provide irrigation but it would also provide basic power for a larger power network in that area. We all know that if you have a fixed amount of continuous hydro-electric power at a low rate you can make that the basis of a largely extended use of electric power through a grid where the peak loads will be maintained by supplementary production by diesel engines, steam engines or other equipment.

In a case of this kind needed power would be made available to an extended area of farm land as well as municipalities during the off-peak period and the peak loads at higher cost could be supplied in the way I have suggested. In that way there would be a reasonably low over-all cost of power through an extended part of that area. This belief has been put forward on many occasions and I wish to say, not only as a member from Ontario but as the Leader of the Opposition, that we believe the time is long overdue for a definite decision that this project will proceed. We ask the government now to declare that it will proceed and we ask that it be done both in the interests of the people in that area and in the general interests of the whole of Canada which will benefit by the improvement of the economy of that part of Saskatchewan.

**Mr. Thatcher:** I should like to speak for a minute or two on this subject. I appreciate very much what the Leader of the Opposition has just said. There is one issue in Saskatchewan where there are no politics. Whether the member be a Liberal, a Conservative, a Social Crediter or a C.C.F.'er, they are all in favour of the South Saskatchewan dam. I know that the Minister of Agriculture has received much criticism because he has not built the dam. As a matter of fact I do not know whether he deserves all the criticism that he has received because I know that he wants the dam. I know that he cannot sell the idea to the Minister of Finance, the Prime Minister and a few more of his colleagues, but I also know that there is probably no one in Saskatchewan who has pushed the South Saskatchewan dam any more than the Minister of Agriculture. I wish that we in the C.C.F. and Conservative parties could help him.

I can tell the Prime Minister that so far as the building of this dam is concerned there is no issue in Saskatchewan. We think it would be a good thing. In the 1930's we had the most fantastic drought that anyone could imagine. You could drive your car down the main street of a town and you could not see the end of the engine because of the dust that was blowing. We have got lots of moisture out there at the present time, but we are afraid that these same conditions may return.

In Texas, Wyoming and other states of the southern United States they have had drought. We believe that it may return to our province. That is why we are all very anxious that the dam should be built. I am not going to say much more, but I should like to say that this is a project which is in the national interest. We had fantastic relief costs during the depression and will have them again if the dam is not built. We know that if we are going to have some stability for agriculture we need to have the dam built. I hope that the Prime Minister will give consideration to doing something about this irrigation dam. It is not a political matter. It is something that everyone in the province wants.

**Mr. Campbell:** I am sure that when the people of Saskatchewan read tomorrow what the Leader of the Opposition has said about the South Saskatchewan dam they will appreciate it. My mind goes back a few years when that grand old Conservative, Mr. John R. MacNicol, was sitting in the house. He probably knew more about irrigation than any man who sat in the house during the years he was here. There is no question that the people of Saskatchewan want and need the dam. They need it not only for farming but for power purposes. The power load in Saskatchewan has been mounting very rapidly and the power commission can hardly keep up with the demand. Last year 5,500 farms went on service and this year there will probably be 6,000.

I rode across that territory on horseback in 1905. At that time you could run a mowing machine over it and you would not get a load of hay. I wish that the Minister of Agriculture would take the Prime Minister through the Lethbridge country where they have irrigation on a similar type of land so that he could see what has been done there. We could not only take care of quite a few thousand more farmers but we could help to stabilize the whole economy of the country through that part of the country producing foodstuffs. They would be produced year after year. The farmers would not have to depend on rain.

I wish that the estimates of all departments would be brought down earlier. I think this is a subject which we should spend two or three days discussing. These estimates should not be introduced when everybody is sick and tired of sitting here and wanting to get home. These estimates should be brought down early enough so that we would still have a little pep left in us and could take some time to try to persuade the other members of the cabinet besides the Minister of Agriculture who, I am quite sure, wants to see the dam built. I earnestly suggest that the government bring down their estimates earlier next year so that we can have two or three days' debate on this project.

**Mr. McIlraith:** Will you let us get them through if they are brought down?

**Mr. Studer:** Mr. Chairman, those of us who have been living for a great number of years in the dry areas of Saskatchewan cannot refrain from offering a few remarks about the advantages of irrigation in a province such as Saskatchewan. I believe that the only way we learn is as a result of the experience of the past. It should not be necessary to go further than the experience of the 1930's to prove the advantages of water when dry conditions are prevalent in our part of the country. History has shown us that this condition recurs from time to time. I believe we should take those lessons that we have learned in the past into consideration in developing a program for the future that will eliminate those trials through which the people of Saskatchewan have had to pass as a result of the unfavourableness of natural conditions as they have existed from time to time.

At the moment we are utilizing much of the time of this House of Commons in trying to find a solution to the problem of what could be called, perhaps, overproduction. I believe some of this time should be utilized in considering what happens when there is no production in this country. Our experiences in the 1930's certainly showed us that the greatest problem we have in this country is the problem of non-production as a result of climatic or other conditions that may prevail in this country of ours. I would much prefer to be in the position of endeavouring to provide a solution for the matter of production than to solve the trials and tribulations of a condition of non-production.

After all, it is in production that the wealth of Canada lies. There is only one source of wealth throughout this country, and that is production. We in Saskatchewan, as a result of past experience, wish to be in a position where we can contribute to the wealth of Canada through production, and thus stabilize the economy of this country through a continuity of production. In an area such as we have in Saskatchewan, this can result only through the proper utilization of water. The marriage of water with the soil is what results in production. This is the fundamental basis of irrigation projects throughout the world, and it is for that reason we are advocating consideration of this measure in the House of Commons. We think it is necessary for the general good of Canada because it will stabilize the continuity of wealth through production.

It is food that is essential to the people of this country. I believe it would be to our advantage to learn what action we can take, as a result of what has happened in the past, to safeguard the future. We are talking about rain in the west at the moment. It appears as though perhaps there is too much of it. However, over a period of years there has never been too much rain in Saskatchewan. Climates change, perhaps slowly sometimes and perhaps rapidly, but history repeats itself. The records we have from the beginning of time prove the fact that history repeats itself, and what has happened in western Canada in previous times is going to happen again. It is going to happen because we cannot change climatic conditions. It has been upon the production of Saskatchewan that much of the economic welfare of Canada has depended.

East of the Rocky mountains in Saskatchewan we have a condition that is not only peculiar to the Palliser triangle, to which reference has been made, but continues down through the length of Montana, Wyoming, Nevada, Utah, Colorado, Arizona, New Mexico, part of Texas, Oklahoma, and new and old Mexico. These are the drier areas of the North American continent. I do not know of anything that is in existence at the present

time that is going to give us any hope that these climatic conditions will change. The time when we need consideration is the time when nature is unkind to us. At the moment perhaps we could forgo some of the plenteous production we have, but the time this country really appreciates production is during the dry periods, and we have had those periods in the history of our country.

We have listened to the reference to what has happened in Texas recently. During the past year over 19 per cent of the seeded wheat acreage in Texas had to be abandoned because of drought. In western Canada we have been endeavouring since 1930, as a result of our experience, to build up our economy so that what happened before shall not happen again. We want to be in a position so that if these conditions do recur we will be able to carry on production and provide the essentials for the economy of Canada. It is essential for us to supply this new wealth that is absolutely necessary from year to year. This question, therefore, bears some relationship to the economy of the whole of Canada.

We in the west are agreeable to contributing to the fullest extent possible to anything that will advance the general interest of Canada, be it the Canso project in the maritimes, the St. Lawrence project or any other project that will affect the future welfare of Canada. We ask the rest of the people of Canada to give consideration to that which is of advantage to us to maintain our living in western Canada and so that we can contribute to the welfare of Canada. Everyone knows that life is non-existent without water. It is necessary for the existence of people, necessary for the existence of livestock and necessary for the existence of industry. Perhaps if there is one reason why there is a lack of industry in western Canada it is because of the lack of water which is so essential thereto.

Life is non-existent without water, and neither grain, cereals nor grass can grow without water. All flesh that is in existence in the world is grass. If grass failed for one year in the world life would be non-existent, and that is why we in western Canada, after our experience of the 1930's, realize the importance of water to the economy of Canada. It involves the life and existence of the people of Canada as well as the people of the world.

Most of the other countries recognize the importance of the existence of water. I have been living in western Canada and in southwestern Saskatchewan for 35 years. In the springtime when the water rushes away from the melting snows because of the chinooks or as a result of the natural development of spring into summer, every one of us who has lived in that country resents every drop of water that leaves that area. We resent the loss of the overflow that runs away in one direction into Hudson bay and in the other, because of the division of the land, into the gulf of Mexico. This water that is the lifeblood of existence to people flows away, and we watch it flow away with the deepest of emotions, realizing as we do that the water should be impounded and used for the development of the country and of the people of the world.

We hear a lot of talk about the underprivileged countries. We hear about the help we should give those people in a country like India, for instance. Well, Canada has one-half of one per cent of the irrigated land of the world. India has 55 million acres of land under irrigation, and we think of India as an underprivileged country. India is preparing right at this moment, in the Sutlej river project and the Bakra dam a $3 billion investment to provide irrigation so that they may provide food for their people. Five big projects are being developed in India. And in Pakistan, which was included in India before the division took place in that portion of the continent, at the present time they have 37 million acres under irrigation.

I have here a list of all the irrigation projects of all the countries of the world, including those supposedly underprivileged countries, showing that they have made developments through irrigation to the extent of the water they have available.

Many people are of the opinion no doubt that if all the water in western Canada were utilized for purposes of irrigation, all the land could be irrigated. But only one per cent of the total land area of Saskatchewan could be irrigated if all the water were utilized that flows down all the rivers in Saskatchewan in any one season. Hon. members will be interested to know that eight times as much water flows down the Ottawa river passing these houses of parliament as flows through all the rivers in southern Saskatchewan. So that will give an idea of the value of water to an area situated as is the province of Saskatchewan. We watch the flow of water down the Ottawa river and pay no particular attention to it. We see the water flowing through the St. Lawrence, and we think, "Well, that is just a means of commerce, whereby the ships can deliver the products of our country to other parts of the world." We pay no particular attention to it.

But in western Canada our rivers are the life of our people. Let us not for one moment

anticipate that things are going to continue at the level of production they have reached in the last few years. We would like to have it continue as such. If it were not for the irrigated land in the world civilization would cease to exist, because that irrigated land makes life among the people possible. There are over 188 million acres of irrigated land throughout the world which provides a livelihood for its people. We here in Canada have only one-half of one per cent of the total. And we are a progressive nation!

I would suggest that there is a great future for Canada, but we have much to do. We have heard much discussion about costs. There have been discussions through various channels of government, through commissions and committees, and the P.F.R.A. organization. I suggest that this investment is one that would repay the whole of Canada. I do not want to be a member of a government or a member of any organization that is going to go through the thirties again, or that would not at least in some way, shape or form endeavour to make some contribution to prevent a repetition of what we experienced during those years.

Down in southwestern Saskatchewan we do not have to explain our experiences of the past or what happened in those years. No one believes us when we tell them that there were months when we could not mail letters, that there were months when instead of waiting for box cars to take out our production or our wheat, as we do today, we were waiting for box cars that would bring relief to southwestern Saskatchewan. That is what we were waiting for from Ontario and Quebec, and other parts of Canada. We were waiting so that the people throughout Canada would recognize our terrible plight, a situation in which we had to sell our stock for as little as one cent a pound because there was not enough feed in the country to maintain more than one adult animal and two calves because that was the limit set by the government. No one in Canada could supply the feed for all that country that was suffering from drought.

Two-thirds of the people of Saskatchewan were on a relief basis. It cost the Dominion of Canada $200 million for that experience; and we want to see that that is not repeated in the future. Why should we not learn by experience? The people of Saskatchewan are right, and they are right in more ways than one. I think the Saskatchewan government is doing a service for the people of this country when it is offering to pay for the power that is inherent in or would be delivered through the building of the dam.

This would be a project different from any other in western Canada in that it would have both power and irrigation in connection with it. I would not hesitate for one moment to say that a Saskatchewan government may build it, itself. And if it did, I think everybody in Saskatchewan would be behind it. But that would not be a fair thing to do. The dominion government has been responsible for the impounding of water throughout Canada, and the provincial government has been responsible for the utilization of water after it has been impounded. I think the least the Dominion of Canada could do would be to accede to the general situation prevailing throughout Canada, and that would be to grant its proportion of the cost of building a project that would be the very lifeblood of the people in western Canada, as history may well prove.

Irrespective of what we do, we are going to save money. We will save the millions that have been spent in western Canada for relief. And remember this, that there is a possibility; no, not a possibility, there is a definite probability of the development of half a million acres of irrigated land through this Saskatchewan river project.

Incidentally, this development would not help us in southwestern Saskatchewan, because our elevation is too high. We are at an elevation of around three thousand feet, and it is difficult to make water run uphill. But I am thinking of the drought years in the economy of Saskatchewan and in the economy of the Dominion of Canada, when those 500,000 acres could average 20 bushels to the acre when there was no rainfall. This would mean an enormous advantage to the Dominion of Canada.

So there could not be any loss. I do not know of any losses in these so-called underprivileged countries through their irrigation projects. They have suffered no loss through those projects. The laws of water flowing on land are the natural laws, as natural as man and wife. They are as natural as life itself. One might say they are as natural as death or as birth, or as anything else in this world. The two have to go together.

I do not want to be a member from Saskatchewan if we do not develop that which is right on our doorstep. The water is there. Every year it flows out of Saskatchewan. It is of very little use when it arrives back in Hudson bay, or in the ocean. Nature has to absorb it again in clouds, bring it back to earth and spread it over the land—and no one has been able to explain how this is done. But it is done through the design of God who has ordained that there shall be millions, billions, trillions of tons of water

spread over the country so that things may grow, and so that people may earn their livelihood through their labours.

Had this irrigation dam been built, what happened in the thirties would have been prevented. Prices were low, and all the rest of it, but there is no substitute for production. One cannot receive a price for anything unless he produces it. So the first essential is to produce. And one acre of irrigated land, we are told, will sustain 20 acres of dry land and make it possible for those other 20 acres to produce.

So let us consider what half a million acres of irrigated land will do in sustaining the economy of western Canada throughout dry years. It will eliminate resettlement in those years. We know that 5,574 persons had to be moved out of southwestern Saskatchewan, to be resettled elsewhere, on account of the drought. It seems to be money lost to have to resettle people when they can be sustained in their own environment and have an opportunity of making their own living. Trainloads of food were brought into western Canada, even from as far away as Quebec. The need for much of that could be eliminated.

I would suggest that one-half of the people of Saskatchewan were on relief in 1937. It was not an economic situation as much as a lack of production. There were no gardens; there was no wheat; there was no grain; there was no livestock. Nothing can exist without water, and we wish to eliminate that lack in the future. I do not think it is beyond the capacity of a young and growing country like Canada to make it possible for a portion of the population of this country to continue to contribute to the welfare of all our people. It has been proven by organizations such as P.F.R.A. that this irrigation development is possible. There may be persons who doubt that because of what has happened in the past in regard to power developments, as to whether coal or water may be the most economical method of developing power in the future, but that is part and parcel of the development of all our country. Wherever you find water, people and the necessary ingredients to develop industry there you will find it.

We in Saskatchewan have had a great lack of power. Water is the first essential. Give us the water and we shall have everything else. Therefore I would suggest to the federal government—

**Mr. Nicholson:** Ten o'clock.

**Mr. Studer:** —that we give all the support we possibly can to western Canada in the development, not of something that applies to us as individuals so that we as individuals may prosper, although it should be the object of all of us to prosper through what we contribute to the rest of the Dominion of Canada. We have no right to accept the benefits of what others produce unless we produce ourselves. We have no right to expect to enjoy happiness if we do not contribute to happiness. I think that from the short-term and long-term point of view we can contribute to the welfare of all the people of Canada by giving more consideration to what is involved in the building of the South Saskatchewan river dam than we have in the past.

Indirectly we have been contributing to the building of that dam. There is the development of oil in Saskatchewan. During the last seven years Alberta has obtained over $270 million from the development of oil. Through their natural resources they contribute to the building up of additional natural resources. Saskatchewan government officials and members have claimed that Saskatchewan has 40 per cent of the oil of western Canada. Well if that oil is a natural resource it may perhaps contribute to the building up of other natural resources, the building of the dam.

**The Chairman:** I hear some members saying "ten o'clock". Is it agreed that I rise, or is it agreed that we shall continue?

**Some hon. Members:** Agreed.

**Mr. Harkness:** Rise.

**Mr. Studer:** In conclusion I would say that everyone would benefit from the building of that dam.

**Mr. Gardiner:** Perhaps hon. members do not know, but the hon. member who has just taken his seat came all the way back from Saskatchewan to deliver this speech. He has been at home trying to get his seed in under very difficult circumstances, and he came back because he thought this question was going to be discussed. I suppose he is just as anxious to get back and finish his job as anyone. I wonder whether hon. members would allow him five minutes or ten minutes to finish up, as he wants to finish.

**Mr. Fulton:** Until a quarter past ten.

**Mr. Studer:** Mr. Chairman, I was luckily just at the end of what little contribution I am able to make. The minister was kind enough to mention that we came back from western Canada. There were several meetings that we had to attend in western Canada in the last week, including a meeting of the cattle growers of southwestern Saskatchewan, which was most interesting, and several other

meetings. Incidentally, they were not political meetings. I have before me a list of political C.C.F. meetings that are being held in Saskatchewan during this week, but that does not enter into the picture.

**Mr. Nicholson:** On a point of order, Mr. Chairman; it is ten minutes after ten. In view of the fact that we have had a very long day—

**An hon. Member:** You do not like it.

**Mr. Nicholson:** We asked the staff of the house to come back at seven o'clock, and without unanimous consent I do not think we should get involved in a political discussion at this time. I myself will be very glad to take part in the discussion when the estimates are called again. I think you might call it ten o'clock.

**The Chairman:** The hon. member is quite right. Unanimous consent is required to continue. I understood unanimous consent had been granted.

**Mr. Nicholson:** I understood that unanimous consent was that you rise and report progress.

**The Chairman:** The Minister of Agriculture rose to his feet and requested a few minutes more for the hon. member for Swift Current-Maple Creek. I understood that unanimous consent had been given to him to continue for a few minutes.

**Mr. Nicholson:** Mr. Chairman, the hon. member was given an opportunity to discuss water, but I think it was not understood that he would start in to tell of some of the political C.C.F. meetings that are being held in Saskatchewan at the present time. We are celebrating the tenth anniversary of the election of the C.C.F. government. I think we should not at this stage get started on that sort of discussion.

**Mr. Studer:** They are not celebrating that now.

**The Chairman:** Do I understand that the hon. member has unanimous consent to proceed?

**Mr. Nicholson:** No, not to make a political speech. We will give him a chance to finish his speech when we return to the minister's estimates later.

**Mr. Studer:** I am sure none of us would want to interfere with or enter into any political discussion at this time. I just thought that perhaps the Saskatchewan river dam was more important than the provincial constituency or the C.C.F. conventions in Saskatchewan at the moment. I should like to apologize for referring to that. I do not wish to detain hon. members. I was going to talk a little about what could be saved by the federal government in connection with what has been expended in Saskatchewan, but I think that is something that we can give consideration to under less strenuous conditions than have existed during the past week. Hon. members have been sitting long hours, and I shall refrain from continuing my remarks at the present time.



Item stands.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris:** Tomorrow we shall start with veterans affairs. I have some reason to hope that the first item will be carried without further debate, or very little in any event, and that perhaps we can complete the items by one o'clock. Whenever we complete them we shall go on with health and welfare. In any event, we shall go on with health and welfare at 2.30, to be followed by fisheries, legislation, post office, citizenship and immigration. On Monday we shall take the amendments to the Judges Act; then national defence and defence production.

**Mr. Fulton:** I was beginning to be afraid the house might close before we got to the minister's estimates.

**Mr. Drew:** I do not want to delay the discussion on this but is it not likely that we would finish the Department of Agriculture more quickly if we proceeded with it tomorrow morning rather than to have some delay before calling the department again?

**Mr. Harris:** I doubt it very much, Mr. Speaker. There have been a considerable number of expedients adopted over the past few days to arrange the business for today, tomorrow and Monday, and the best solution seems to be the one I have indicated. I would be happy if agriculture could be disposed of in one hour in the morning but I really do not believe that.

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

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

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration, $432,490.
2. Information service, $403,628.
3. Advisory committee on agricultural services, $5,000.

4. Contributions to commonwealth agricultural bureaux in a total amount of £43,959, notwithstanding that payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of January, 1954, which is, $120,393.

Science service—

Science service administration—

5. Operation and maintenance, $719,060.

6. Construction or acquisition of buildings, works, land and new equipment, $1,514,806.

7. Bacteriology and dairy research, $213,395.

Botany and plant pathology—

8. Operation and maintenance, $1,403,534.

9. Construction or acquisition of buildings, works, land and new equipment, $198,450.

10. Chemistry, $757,251.

Entomology—

11. Operation and maintenance, $2,086,123.

12. Construction or acquisition of buildings, works, land and new equipment, $88,741.

Forest biology—

13. Operation and maintenance, $1,923,859.

14. Construction or acquisition of buildings, works, land and new equipment, $230,093.

15. Plant protection, $838,448.

Experimental farms service—

16. Experimental farms service administration, $181,201.

Central experimental farm including research and co-ordinating divisions for the experimental farms service—

17. Operation and maintenance, $2,242,455.

18. Construction or acquisition of buildings, works, land and new equipment, $307,330.

Branch experimental farms, substations and illustration stations—

19. Operation and maintenance, $6,351,995.

20. Construction or acquisition of buildings, works, land and new equipment, $1,250,000.

Production service—

21. Production service administration, $84,843.

Animal pathology—

22. Operation and maintenance, $554,721.

23. Construction or acquisition of buildings, works, land and new equipment, $101,770.

Health of animals—

24. Administration of Animal Contagious Diseases Act, and Meat and Canned Foods Act, $5,540,940.

25. Compensation for animals slaughtered, including compensation for eggs destroyed from infected premises under terms and conditions approved by the governor in council, $482,550.

26. Live stock and poultry, $1,644,413.

27. Plant products—seeds, feeds, fertilizers, insecticides and fungicides control, including grant of $40,000 to Canadian seed growers' association, $1,483,598.

28. To provide for grants to fairs and exhibitions in accordance with the regulations established by order in council of December 22, 1952, P.C. 4602; for payments on account of agreements in force on December 31, 1953, with exhibition associations covering the construction of buildings and other major undertakings; and for a grant of $50,000 to the Royal Agricultural Winter Fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $856,957.

29. Grants to agricultural organizations, as detailed in the estimates, $160,400.

Marketing service—

32. Dairy products, $753,903.

33. Subsidies for cold storage warehouses under the Cold Storage Act, in the amounts detailed in the estimates, $450,538.

34. Fruit, vegetables and maple products, and honey, including grant of $5,000 to the Canadian horticultural council, $1,328,444.

35. Live stock and live stock products, $1,470,981.

36. Marketing of agricultural products, including temporary appointments that may be required to be made notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed $6,000, $100,000.

Terminable services—

37. Freight assistance on western feed grains, $17,000,000.

38. Agricultural lime assistance, $500,000.

39. To provide for quality premiums on high grade hog carcasses and administration costs, $6,000,000.

Special—

40. Agricultural products board administration, $10,000.

41. To provide for assistance to encourage the improvement of cheese and cheese factories, $875,000.

42. To provide assistance for the replacement of maple production equipment, $100,000.

43. For assistance in construction of potato warehouses under terms and conditions to be approved by the governor in council, $25,000.

# HOUSE OF COMMONS

**Saturday, June 19, 1954**

The house met at eleven o'clock.

## QUESTIONS

NATIONAL HOUSING ACT—LOANS IN REGINA, ETC.

**Mr. Ellis:**

1. How many loans have been approved by the Central Mortgage and Housing Corporation in Regina, under the new National Housing Act as of June 1, 1954?

2. How is the lending value on a house established (a) when the house is built for speculative sale to the general public; (b) when the house is built as a result of a contract entered into by the home purchaser and contractor?

3. Does Central Mortgage and Housing Corporation exercise any control over prices charged by builders for homes financed under the National Housing Act?

4. Are chartered banks permitted to require a deposit of from $300 to $400 over and above the down payment before approving loans for home construction under the National Housing Act?

**Mr. Bourget:**

1. Central Mortgage and Housing Corporation have given undertakings to insure 24 loans.

2. (a) The lending value on a house including land is established by Central Mortgage and Housing Corporation after appraisal of the applicant's plan, specifications and the location of the proposed structure. The rates used in the appraisal are computed for each branch office and are based on a fair cost for the area.

(b) Same as for (a).

3. The maximum selling price for houses built by builders for sale and financed under the National Housing Act is determined by Central Mortgage and Housing Corporation and is generally in the same amount as the lending value. The amount of the loan is conditional upon the sale of the house to a home purchaser at a price not in excess of the maximum selling price so determined. If the house is sold by the builder at a price exceeding the determined selling price, the amount of the loan is reduced to not more than 90 per cent of the approved loan.

4. Under the National Housing Act an approved lender is not restricted from taking additional security. Where the applicant is building his own house, by contract or otherwise, it is the policy of most approved lenders to require that the applicants have cash or its equivalent available in excess of the difference between the estimated cost and the mortgage loan, to meet the contingency that most houses cost more than home owners expect. The amounts of this requirement vary and are determined between the borrower and the approved lender.

## QUESTION PASSED AS ORDER FOR RETURN

MANUFACTURING, INVESTMENT, PRODUCTION, ETC.

**Mr. Dinsdale:**

For the period 1947 to the end of 1953:

1. What is the dollar value of total new investment in manufacturing in Canada, and what percentage of this in each of the provinces?

2. How many new manufacturing plants have been established, and what percentage of these was established in each of the provinces?

3. How many new jobs have been created in manufacturing in Canada and what percentage of these jobs have been created in each of the provinces?

4. What is the total dollar value of production from Canadian manufacturing industries, and what is the percentage of this production figure in each of the provinces?

**Mr. Howe (Port Arthur):** Return tabled.

## NATURAL GAS

DECISION OF FEDERAL POWER COMMISSION AGAINST EXPORT TO NORTHWESTERN STATES

On the orders of the day:

**Mr. Howard C. Green (Vancouver-Quadra):** Could the Minister of Trade and Commerce give the house any information concerning the decision of the United States federal power commission announced yesterday which appears to make it impossible for Canada to export natural gas to the northwestern states? I have in mind particularly whether the government has given consideration to making any protest to the United States government in view of the fact that the decision seems to be based in part at least on broad government policy, and also whether this need necessarily prevent Peace river gas being supplied to British Columbia?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** The ruling of the federal power commission has been brought down denying the application of Westcoast Transmission Company Limited to supply gas to the Pacific coast states. I suppose the finding of the commission is comparable to a finding of the board of transport commissioners in

Canada, namely, it represents a judicial decision. I hardly think a protest by this government would be effective. I have not seen the judgment but I am told that the chairman of the commission made a report in which he dissented in part from the finding and suggested that Canada apply for permission to export gas to the inland empire, that is the area around Spokane. I have not read the report, but I was informed of that fact by one of my officials.

The government of Canada did everything possible to facilitate the application. Any suggestion from the company that government action would help was followed by action on the part of the government. I myself called on the federal power commission in the hope that I could resolve any doubts they may have had about the Canadian position. I had a very satisfactory interview with the full commission.

Answering the second part of the question, there is nothing to prevent gas being transmitted to Trail and Vancouver except the question whether the volume of gas will be sufficient to allow the gas to be delivered at a price that will be interesting to the purchasers.

**Mr. Herridge:** I was very interested in the minister's explanation. In view of the great need for co-operation between Canada and the United States in the development of the resources of northwestern America, particularly the resources of the Columbia river, can the minister say whether the federal power commission gave any consideration to the necessity for this very close co-operation between the two countries when dealing with this application?

**Mr. Howe (Port Arthur):** I suppose the doubt expressed by the federal power commission about the wisdom of having a source of supply outside their own country is similar to doubts I have heard expressed in the House of Commons about the wisdom of bringing gas to Toronto from Buffalo. Such doubts are somewhat natural. I was hoping that the geographical and other facts of the situation would overcome that natural feeling. Apparently they did not. However, the matter will be explored and if there is anything the government can do to improve the situation I can assure you that it will be done.

**Mr. Fulton:** May I ask the minister if he would feel himself in a position to comment on the likelihood or possibility of some tie-up being made of the Pacific Northwest Company's pipe line with Westcoast Transmission so that even though the pipe line in the Pacific northwestern states was that of the Pacific Northwest Company, Westcoast's line might bring gas down from the Peace river through British Columbia to supplement it in the feeding of that market, which would of course have tremendous advantage for us in the interior of British Columbia?

**Mr. Howe (Port Arthur):** That would seem to me to be a possibility, but it is a matter for private negotiations. As I read the newspaper statement, the decision is based on the fact that the federal power commission did not like to make a foreign source of supply the sole source of gas for the area. Possibly, if the area has a domestic supply, that can be supplemented later by a supply from Canada. Obviously, that is a matter for private negotiations.

**Mr. Fulton:** But there is no difficulty in the way from this end?

**Mr. Howe (Port Arthur):** No.

[*Later:*]

**Mr. J. M. Macdonnell (Greenwood):** May I ask a supplementary question of the Minister of Trade and Commerce? I was puzzled by what he said about the decision being a judicial one. Would he add a word of explanation to that? It would seem to me as if, in effect, although superficially it is different, it is a matter of trade policy. Does the minister not agree with that?

**Mr. Howe (Port Arthur):** The federal power commission is a court, having the jurisdiction of a court, just as the Board of Transport Commissioners for Canada is a court, having the powers of a court. I understand that the findings of the federal power commission represent a judicial decision just as the findings of the board of transport commissioners do. I believe the two are on exactly the same footing.

**Mr. Macdonnell:** Would it not be necessary, going behind that, for the federal power commission to be reaching a conclusion on instructions received from the government as a matter of policy?

**Mr. Howe (Port Arthur):** I cannot say as to that; that is a matter within the United States. Certainly I think that we in Canada could not influence the situation.

## EXTERNAL AFFAIRS

### GUATEMALA—INQUIRY AS TO SITUATION

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, has the Secretary of State for External Affairs any comments to make on the situation in Guatemala? Has the government been able to ascertain whether

it is a civil war or invasion? Has the government any information as to the source of the arms being used by the so-called invaders?

**Hon. L. B. Pearson (Secretary of State for External Affairs):** No, Mr. Speaker.

**Mr. Cameron (Nanaimo):** I should like to ask a question supplementary to the one asked by my colleague, the hon. member for Winnipeg North Centre. Has the government made any inquiries with regard to the situation in Guatemala?

**Mr. Pearson:** Yes, Mr. Speaker, we are trying to find out what is happening.

[*Later:*]

GENEVA CONFERENCE—INQUIRY AS TO CANADIAN DELEGATION

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to the Secretary of State for External Affairs, supplementary to a question and answer of yesterday. Is Mr. Ronning still at Geneva, and if not have we a Canadian delegation there? If so, who is heading it now?

**Hon. L. B. Pearson (Secretary of State for External Affairs):** On the termination of the Korean talks at Geneva, Mr. Speaker, Mr. Ronning, who was the acting head of the delegation, returned to his post as Canadian minister to Norway. We have a delegation remaining in Geneva to follow the Indo-China talks, and that is headed by Mr. John Holmes, assistant under-secretary of state for external affairs.

## INQUIRY FOR RETURN

POSTMASTER, YORK, ONT.

On the orders of the day:

**Mr. J. A. Charlton (Brant-Haldimand):** May I direct a question to the Postmaster General? On May 19 a motion for papers standing in my name was passed, and I wonder when I could get a return of those papers?

**Hon. Alcide Cote (Postmaster General):** I shall be glad to investigate the matter and produce the report as soon as possible.

## WHEAT

INTERNATIONAL WHEAT AGREEMENT—STATUS OF NEGOTIATIONS

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** I wish to direct a question to the Minister of Trade and Commerce. In view of press reports from the 47-nation conference now taking place in London in relation to the international wheat agreement that representatives of the importing countries are seeking a new agreement and that Canadian representatives are understood to express approval of the proposal, can the minister inform the house about the present status of those negotiations?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** The meeting of the international wheat agreement countries, Mr. Speaker, is purely a routine meeting. I understand, though I have not been officially advised, that at the meeting a proposal was made that discussions take place in the near future about a further agreement; that is an agreement to succeed the present agreement when it expires within two years. The thought has been expressed that the new agreement might replace the last year of the present agreement. I have no official information on the subject. Canada has not given its delegate instructions on the point, and he has not asked for instructions, from which I take it that the proposal is only in the discussion stage at the moment.

**Mr. Drew:** In view of the fact that we have had so much discussion concerning wheat marketing, and that there have been some indications of discussions relating to a change in the agreement prior to the ordinary termination and a possible relationship of that to price, could the Minister of Trade and Commerce take this as notice of a question to see if information could be obtained through ordinary government channels so that the house could be informed on Monday regarding such information as may be available?

**Mr. Howe (Port Arthur):** I assume that by Monday we will have information from our delegate. If it is information that bears on the price of wheat or the duration of the agreement, I shall be glad to make a statement.

**Mr. A. M. Nicholson (Mackenzie):** May I ask a supplementary question? In view of the small percentage of the agreed imports by importing countries having been taken up, and as this vitally affects Canadian exports, is the minister considering going to London to take part in the discussions before the meeting adjourns?

**Mr. Howe (Port Arthur):** I think it should be made clear that, unless wheat is put at the floor price specified in the agreement, there is no obligation on the member countries to take their full allotment. I have tried to make that clear on a number of occasions. The choice we have today is whether or not we will offer wheat at the

floor in order that countries will be required to take up their allotment. My feeling is definitely against doing so, but until we do offer wheat at the minimum there is no obligation on those countries to take any more wheat than they desire to take for their own reasons. The fact of the matter is that every country within the wheat agreement had a good crop last year and the requirements for wheat from outside sources are down.

## PRIVILEGE

MR. NESBITT—REFERENCE TO REMARKS OF HON. MEMBER FOR WELLINGTON SOUTH

On the orders of the day:

**Mr. W. B. Nesbitt (Oxford):** I should like to address a question to the Minister of Agriculture, or in his absence to his parliamentary assistant. In view of the remarks made by the hon. member for Wellington South (Mr. Hosking) as reported at page 6255 of *Hansard* for June 18, 1954, would the minister care to make a statement as to whether or not the hon. member for Wellington South has certain patronage arrangements in my riding?

**Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture):** There is no politics whatever in the Department of Agriculture.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF VETERANS AFFAIRS

Treatment services—

512. Hospital construction, improvements, new equipment and acquisition of land, $5,300,000.

**Mr. Harkness:** This item is for hospital construction, so I should like to say a word about the situation in Calgary in connection with the Colonel Belcher hospital, a veterans affairs hospital. This hospital is in process of being considerably enlarged, so that it will take in more than a full block. There is a piece of property, the Hull estate right next to it, that has just been put on the market. I would ask the minister if he would consider whether the Department of Veterans Affairs would buy this property to make a park outside as a place where patients in the veterans hospital could go, and where they might take their wheelchairs, or such other means as they have for getting around. There is a park right across from the veterans hospital, but it requires crossing a heavy traffic artery. There is a subway just below leading into the centre of the city, and the traffic there is extremely heavy.

[Mr. Howe (Port Arthur).]

As a result the veterans from the hospital do not use Central park in Calgary to any extent, because they find it impractical to use it.

The other piece of property to which I am referring is in the other direction and would be right next to the hospital. I should think it would be a most desirable move if the department would secure that piece of property so that it could be used as a park by the veterans in the hospital, and also would be available for future building purposes if required.

**Mr. Lapointe:** I thank the hon. member for advising me of that situation and I shall be pleased to have the officials of the department look into the matter.

**Mr. Jones:** Has the minister considered building a hospital in Saskatchewan for the mentally disabled. I understand there are about 400 of them, and that Saskatchewan is the only province that does not have suitable mental care provided by the D.V.A. I understand the situation in that province, so far as the mentally disabled are concerned, is somewhat pathetic, as they are scattered all over the province, and not in any separate institutions. In view of the fact that every other province has such care I suggest the mentally defective in Saskatchewan should be treated in the same way.

**Mr. Lapointe:** I am afraid the information the hon. member has concerning institutions for mental patients is not quite accurate. Actually we have two psychiatric institutions, one at Ste. Anne de Bellevue in Montreal and the other at Westminster hospital, in London. Some of the other large hospitals have psychiatric wards, but the only mental institutions are the two I have mentioned. However, in the other provinces, we have arrangements with the provincial authorities whereby they make available to the Department of Veterans Affairs facilities in their mental institutions, at the charge which is current in the province for such institutions.

**Mr. Jones:** In asking my question I have before me a letter from the Saskatchewan hospitals branch of the Canadian Legion at North Battleford in which it is claimed that in all other provinces, to the best of their knowledge, there are at least parts of hospitals—indeed if not whole institutions—set aside for this purpose. They make reference to the Shaughnessy hospital in British Columbia, the Colonel Belcher hospital in Alberta, the Deer Lodge in Manitoba, the Sunnybrook in Ontario, as well as the Westminster in that province. Then they also refer

to the hospital at Ste. Anne de Bellevue, Quebec. They claim that Saskatchewan alone has no hospital of this kind.

**Mr. Lapointe:** I am afraid that in this instance the branch of the Legion is wrong.

**Mr. Michener:** Would the minister give information as to the number of beds occupied in hospitals, on an average.

**Mr. Lapointe:** We have Camp Hill hospital at Halifax with an operating capacity of 550 beds, of which at the present time 416 are occupied. There is Lancaster hospital in Lancaster, a municipality which has just been recently organized near Saint John. In that hospital there is a capacity of 400 beds of which 362 are occupied at the present time. There is Ste. Foy hospital in Quebec city. This is a new hospital opened only a few weeks ago. It has a bed capacity of 275, of which 132 are now occupied.

Then, in Montreal, there is Queen Mary veterans hospital with a bed capacity of 700 beds of which 489 are occupied. There is also the hospital at Ste. Anne de Bellevue with a bed capacity of 1,135 of which 1,094 are occupied. There is the hospital at St. Hyacinthe, Quebec, which is, in fact, a hospital treating tuberculosis. It is being handed over this summer to the Department of National Health and Welfare, and the patients at St. Hyacinthe will be cared for at Ste. Anne de Bellevue; so that the bed capacity at Ste. Anne de Bellevue will be slightly increased. The hospital at St. Hyacinthe had a capacity of 200.

Then, in Ottawa, we have the Rideau health and occupational centre with a capacity of 150 beds, of which 117 are occupied. At Toronto there is Sunnybrook hospital with a bed capacity of 1,650 of which 1,235 are occupied. There is also the Red Chevron at Toronto with a bed capacity of 165, with 139 occupied. In London, Ontario, there is the Westminster hospital with a capacity of 1,522 of which 1,237 are occupied.

In Winnipeg we have Deer Lodge hospital with a bed capacity of 850 of which 627 are occupied. In Regina there is the veterans home with a bed capacity of 62, and 63 occupied. Just where that one bed comes in, I cannot say; it must be in the hall.

**Mr. Harkness:** Out in the corridor.

**Mr. Lapointe:** There is the veterans hospital at Saskatoon with a bed capacity of 125 with an occupancy of 118. At Calgary there is the Colonel Belcher hospital with a bed capacity of 425 of which 338 are occupied. At Edmonton there is the veterans home with a capacity of 70 and 72 occupied. So that here, again, there must be two out in the hallways.

At Vancouver there is the Shaughnessy hospital with a bed capacity of 1,100 of which 906 are occupied. There is the veterans hospital at Victoria with a capacity of 300 with 247 occupied. There is the George Derby health and occupational centre at Burnaby, British Columbia, with a capacity of 215 beds, of which 169 are occupied.

Then I must explain that in addition to these institutions we have what we call contract hospitals. For instance, here in Ottawa, we have the veterans pavilion at the Civic hospital, where we enter into a contract with that particular civil hospital for the treatment of veterans. We have a similar arrangement at Regina, Edmonton, Newfoundland and Charlottetown.

The total bed capacity in departmental institutions and contract hospitals, if I may use that term, shows an operating capacity of 9,974 with an occupancy at the present time of 7,935, or an average of about 80 per cent.

**Mr. Gillis:** Is there any intention on the part of the department to establish a nurses' residence at Camp Hill hospital in Halifax? I do not want to go into the details of the thing, but the nurse who has to room out and take a couple of meals in hospital, for which she is charged, I understand, and lose the time that she has to put in to get out, to get through the traffic and to get back to work, is working under a handicap. I am of the opinion that there is a sufficient number of nurses there to have proper residences provided for them and better arrangements with regard to meals, and so on.

**Mr. Lapointe:** No such plans have been made up to the present time. As a matter of fact, I am informed that the majority of nurses do not want to reside in the hospital, but prefer to live outside. However, I shall be glad to look into the situation, and certainly we have no intention of creating any hardship for the personnel of our hospitals.

**Mr. Gillis:** I would be glad if the minister would do that, because the system is antiquated; it is out of date.

**Mr. Harkness:** I have a matter that I should like to bring to the minister's attention under this item. I refer to the provision of a veterans pavilion at the Lethbridge hospital. I believe the Lethbridge branch of the Legion and some other branches of the Legion in southern Alberta, as well as other bodies, have made representations to the minister in regard to the desirability of providing a veterans pavilion at the Lethbridge hospital which would serve a good many of the people in the far southern part of Alberta. At the present time they all have to go up to the

Colonel Belcher, where they are separated a long distance from their families and so on. The population of that part of Alberta of course, owing to the irrigation schemes which have gone in there, has been increasing rapidly and they believe they have a sufficient number of veterans to justify the provision of a veterans pavilion at the Lethbridge hospital. Can the minister tell us—he was going to consider this—what has been the result of the investigation, if any, into the matter?

**Mr. Lapointe:** Some time ago representations were made to the effect that a veterans pavilion should be set up at the Lethbridge hospital. I think those are the representations to which my hon. friend refers.

**Mr. Harkness:** Yes.

**Mr. Lapointe:** At that time we did make a thorough investigation. The result of that investigation was that the patient load in such a veterans pavilion would not be sufficient to warrant the expense of setting up one. My hon. friend says that circumstances may have changed because of various developments, and I shall be very glad to look into the question again, to find out the best way of giving the best treatment to the veterans of that region. The department certainly will look into this matter very seriously.

**Mr. Michener:** I have another question along the line of the last. Do the accounting practices of the department leave the minister in a position to estimate the cost of maintenance per bed? Has that cost been compared with the corresponding cost in the public civilian hospitals as a method of testing the departmental costs?

**Mr. Lapointe:** Yes, there is a thorough system of cost accounting with respect to our hospital operations, and the daily rate per person is calculated for each institution. The comparison of such costs is made with civilian institutions; but, of course, in our accounting we take into consideration certain services which are not usually considered in the cost accounting of civilian institutions, because they charge their patients for such items as laboratory tests, X-rays and medical services. Under our system we include all these items in the daily rate for each patient in a hospital.

**Mr. Michener:** Can the minister give us the average cost per patient per day say over the last year?

**Mr. Lapointe:** The daily rate broken down for 1953 was $12.55 per patient. To give a basis of comparison with civilian institutions, I might add that the rate in general hospitals in Ontario, where we do have patients receiving treatment under contracts with these hospitals is $13.31 per patient day, exclusive of the cost of medical services.

**Mr. Michener:** Does that figure of $12.55 include medical services?

**Mr. Lapointe:** It does.

**Mr. Noseworthy:** In the figures that the minister gave us a while ago, it was indicated that there are somewhere around 2,000 unoccupied beds in military hospitals across Canada. Has any consideration been given to the possibility of making some of those unoccupied beds available to the civilian population? In Toronto, for instance, there is a desperate shortage of civilian beds. There are thousands of civilian patients on waiting lists to get into hospital. These military hospitals are maintained at the public expense. Why should there be several hundred unoccupied beds in Sunnybrook hospital, while thousands of civilian patients in Toronto are seeking hospital accommodation. Sunnybrook hospital has, I suppose, some of the best equipment, and probably the best staff in Canada, for certain types of rehabilitation work. I do not know whether that is used to the fullest extent, but it would seem to me that it should be possible to make some arrangements with municipalities whereby people who want hospital accommodation should be able to get it when hospital accommodation is being unused a few blocks away.

**Mr. Lapointe:** That matter has been looked into very thoroughly. At the beginning I should say that it is not considered that a hospital should at all times be a hundred per cent occupied. There has to be some flexibility. I gave the figure for the occupancy as at the end of April this spring. Our peak load is in the winter, and possibly the figures for January would have shown a higher rate of occupancy. On the other hand, July and August will show less.

The matter of making use of any spare facilities in the hospitals, as I said, was studied very thoroughly. It was made the subject of a thorough investigation by officers of my department and of other departments. The possibility of making some of that accommodation available is rather remote. It must be understood that these hospitals, modern as they are, with the best personnel and equipment, still cannot handle certain patients. For example, they have not the facilities to look after children and certain other types of patients.

**Mr. Noseworthy:** They have plenty of beds.

**Mr. Lapointe:** It would be very difficult, for example, to take care of women patients in these hospitals.

**Mr. Noseworthy:** They might admit other male patients.

**Mr. Lapointe:** Perhaps my hon. friend will permit me to continue. I will try to make my case clear and if he is not satisfied he can speak when I have completed my remarks. We have found it rather difficult to operate under the Department of Veterans Affairs such hospitals where the bulk of the patients would be veterans and where others would be civilians, so that we have evolved another scheme. I am glad the hon. member has mentioned this question because it will enable me to make a short statement in regard to some changes in the terms of our treatment regulations, to ensure that full use of the beds in our hospitals is made. We have come to the conclusion that we should amend the terms of the regulations so that veterans who wish to make use of the hospitals for treatment for non-pensionable disabilities can do so more easily than they can now. At the present time a veteran, if his income is below a certain ceiling, can obtain full treatment in the veterans hospitals free of charge. If his income is above that ceiling he is charged the daily rate which I mentioned a few moments ago in answer to a question by an hon. member. The department has for some time been studying a change in the regulations regarding assistance to veterans in the low income group for treatment of non-pensionable disability in our departmental hospitals. For some time it has been suggested that it would be desirable to get away from the principle of a fixed income ceiling and instead introduce the principle of a sliding scale so that while the lowest income group would pay nothing for treatment, those with a higher income would pay part of the cost of their treatment. The amount they would pay would be related to their income on a sliding scale.

The problem of working out such regulations was difficult but we eventually arrived at a definite plan which has been embodied in order in council P.C. 1954-849 which amends the terms of the present regulations.

Briefly the plan is that a single veteran whose income is less than $800, and a married veteran whose income is less than $1,200, will pay nothing for treatment. If their income is higher than that they will pay the cost of their treatment on a percentage basis up to one per cent of their income for each $100 income in excess of the amounts just stated. I might add that in computing income, allowance is made for dependent children and for wages lost owing to illness during the time of hospitalization and convalescence. As an example of how this new plan works, if a married veteran with two children, earning $50 a week, had a severe illness and was hospitalized for two months, with a further one month convalescence, he would have to pay no more for his treatment in the hospital than $45. If he had to pay current expenses in a civil hospital, such an illness might very well leave him with a bill for $600 or more, apart from his own doctor's fees and extras.

It is expected that in many cases the veterans will be able to pay these charges for their treatment under this plan from prepaid health and hospital insurance.

Naturally, I cannot possibly explain all the details of this scheme without speaking at considerable length. I would say, however, that it is the intention to give adequate publicity to the new plan so that veterans who might benefit from it will be aware of their eligibility.

The department is confident that it will be possible to give treatment at a reduced cost proportionate to the veteran's ability to pay, and I might mention that many of the veterans who need this assistance were formerly ineligible under the previous regulations. We expect that with the implementation of these new regulations we will fill the empty beds which we may have in our hospitals at the present time.

**Mr. Green:** Would it be possible for the minister to put a copy of that order in council on *Hansard*? I think it would be very helpful if it appeared as part of the discussion.

**Mr. Lapointe:** I am very sorry, but I have not a copy of that order in council here at the present time. I will be very glad to make it available to hon. members through the facilities of the department.

**Mr. Green:** I understand it applies only in the case of a pensioner. Or does it apply to any veteran?

**Mr. Lapointe:** It applies to any veteran who has served in a theatre of war or who is in receipt of a pension.

**Mr. Green:** How would that apply in British Columbia where a provincial hospital insurance scheme covers all hospital costs?

**Mr. Lapointe:** That is being looked into at the present time but I am afraid I am not yet in a position to answer.

**Mr. Bell:** Could the minister tell us whether, if the army, for example, found it necessary to use one of these military hospitals on a large scale, there would be an accounting between the Department of National Defence and the Department of Veterans Affairs for

the use of these beds. I know that at Camp Gagetown they have had to use the Lancaster hospital at Lancaster. In this connection I am wondering if the cost per day would be comparable to the cost just mentioned in the case of the non-pensionable veterans. In other words, what is the comparison between the rates army men would have to pay and the amount paid by civilians going into these military hospitals?

**Mr. Lapointe:** The arrangement in existence between the Department of Veterans Affairs and the Department of National Defence is that our institutions are used as base hospitals for the armed services for members of the armed services who need hospitalization. They are sent to our institutions and the Department of National Defence is charged the daily rate of $12.55. The same service is given to the R.C.M.P.

**Mr. Noseworthy:** The minister has indicated that the department has not found it feasible to have civilians and veterans together in the same hospital. Under what conditions can a veteran secure admission to one of the department's hospitals? In other words, can an individual get in regardless of having a disability pension, and does disability status secure admission?

**Mr. Lapointe:** I gather my hon. friend wishes to know who is admissible to veterans hospitals. First, every pensioner is entitled to hospitalization in a veterans' hospital for treatment of his pensionable disability. Every indigent veteran with meritorious service, service overseas, is admitted free into our hospitals. Every recipient of war veterans allowances is entitled to free treatment and hospitalization in our institutions. Finally, any veteran may, by paying the daily rate of $12.55, be hospitalized in our institutions for any condition whatsoever. Of course, as I mentioned before, if he goes in for a condition for which he is pensioned, he does not pay.

This is where the new regulation which I have just mentioned comes into play. Until now, those veterans who were indigent or who were in the very low-income bracket could get free hospitalization if their income was $1,200 or less. If they were over that ceiling they had to pay the full daily rate of $12.55. Under the new regulation establishing a sliding scale, it will make it possible to give treatment at a very low rate to a group of veterans who formerly would have been barred.

**Mr. Noseworthy:** I have one more question. Why should veterans who are not admissible to these hospitals without paying the full daily rate of $12.55 have to go to public wards of civilian institutions and be supported by the local municipalities? Why should they not be taken care of in military hospitals even though they can pay the $12.55 a day?

**Mr. Lapointe:** In the same way, why not? Does my hon. friend mean to tell me that from the mere fact that someone at one time has served in the armed services of this country, the Department of Veterans Affairs should be responsible for his hospitalization for the rest of his life, for any condition whatsoever not related to his service? That would be the result of what my hon. friend is now suggesting. To start with, I am afraid we would not have the facilities to be able to deal with all those veterans, and in the second place, I am afraid we would be entering a field which is definitely not that of the federal government or of the Department of Veterans Affairs.

**Mr. Noseworthy:** I would still think it is much more the responsibility of the federal government to look after these veterans who have given service in any war than it is the responsibility of the municipality.

**Mr. Lapointe:** It is the responsibility of the Department of Veterans Affairs to look after the treatment and hospitalization of every veteran who has served and who has suffered injury or wound through his service. That responsibility is being well discharged. But, as I said, the fact of having served at one time in the armed services of Canada does not make the Department of Veterans Affairs responsible, for instance, for hospitalizing someone who is run over by a street car on Sparks street after having attended the sittings of this house.

**Mr. Ferguson:** I agree with the minister's statement, and I speak as a veteran. I do not see why the taxpayers should subsidize a healthy veteran simply because he has had the honour to fight and to defend his country, but I also say that veterans who have suffered owing to service should be looked after 100 per cent on all occasions. But I cannot stand for the veteran who is a loafer and a bum being looked after by the Department of Veterans Affairs. He has no more rights than has any other citizen. It was a privilege to fight for your country, and there is no charity coming to that gentleman to whom I have referred simply because he was a veteran. He had a great honour accorded to him, and he does not deserve any more consideration than does any other citizen. He should not get charity from the Department of Veterans Affairs. What we should be doing here is demanding that the veterans who deserve treatment, through incapacity

owing to service, receive 100 per cent treatment at all times. However, a loafer who served in the army should not be entitled to anything.

**Mr. Blair:** May I suggest to the minister that these regulations be posted in Legion halls and some places where veterans can get to know what they are. I have had inquiries coming to me all the time. The general public think that any veteran is eligible. If that matter were better known to the public, I think it would relieve a great deal of the trouble. As far as veterans in hospitals are concerned, there is only one point. A veteran who is not disabled and is not eligible for free treatment may enter a veterans hospital. I should like this matter to be explained to the veteran. It is amazing the number of inquiries I have had. Another matter came up as to the number of beds. It is probable that you have spare beds. I forget what the percentage is. A hospital is normally considered to be full even if there are vacant beds. In civilian life, a hospital is considered to be full, I think, when about 80 per cent of the beds are occupied. I think it is normally considered to be full at that time.

**Mr. Lapointe:** I certainly will be pleased to take the means to publicize these new regulations. I should explain to my hon. friend that the order in council was passed less than two weeks ago and this is the first occasion I have had to make it public. I have already discussed the matter with various organizations, including the Legion, and they will help in making this public to all veterans.

**Mr. Blair:** There are just the two points. The general public think that any veteran should go into a veterans hospital and get treatment, and the veteran does not understand that he can get treatment at a hospital even whether the question of means comes into the matter or not, or whether he can pay for it or whether he cannot. There is this misunderstanding, and a clarification of the whole situation by an announcement from the minister would help a great deal in clearing up this misunderstanding throughout the country.

**Mr. Michener:** Mr. Chairman—

**Mr. Noseworthy:** Mr. Chairman—

**The Chairman:** The hon. member for St. Paul's.

**Mr. Noseworthy:** Will the minister—

**Mr. Knowles:** The hon. member is not the hon. member for St. Paul's.

**Mr. Gillis:** He is following up his previous question.

**Mr. Noseworthy:** Following up my previous question, may I ask if the minister will give us again the figures as to beds available and beds occupied in Sunnybrook hospital. I did not write them down.

**An hon. Member:** The figures will be in *Hansard*.

**Mr. Lapointe:** Operating capacity, 1,650; number of beds occupied, 1,235.

**Mr. Noseworthy:** My point is that in the Toronto area there is a desperate shortage of hospital beds. I am sure that in the Toronto area there are veterans who, if they knew they could get into Sunnybrook and receive treatment, even at the price they have to pay in the civilian hospitals, or I think the rate is a little bit cheaper, would be there instead of in civilian hospitals. They just do not know that they have that privilege. Our civilian hospitals are obliged to take veterans in while many civilians in the area are unable to secure beds. It has just been suggested that if the information the minister gave to the committee this morning were made generally known throughout the country, it would help to relieve the situation to some extent.

**Mr. Lapointe:** Mr. Chairman, I will endeavour to take the means of making all veterans familiar with these regulations. I might point out, however, that at the present time in Sunnybrook there are 38 patients who are veterans and who are paying for their treatment.

**Mr. Michener:** As one who is interested in hospital operation, I am pleased to have the explanation of the cost system and to learn the basic rates that have been fixed. There are a number of other questions that occur to me on matters which I think would be of interest. However, I do not want to take the time to inquire about them. For example, the $12.55 per day rate is, I suppose, for ward accommodation; or is it for single room accommodation or is there one basic rate?

**Mr. Lapointe:** It is any accommodation. It is the rate for all accommodation. The hon. member has been in some of our hospitals and he knows that in some of them there are large wards and in others there are only small wards with no more than four beds. In the newer hospitals there are no large wards. There are usually rooms with four, two beds, or one. The rate is for accommodation anywhere.

**Mr. Michener:** If the minister has a statement giving a break-down of the elements of the rate of $12.55 would he put it on

*Hansard*? It would be interesting to have it there and it would obviate any further questions.

**Mr. Blair:** Is it not true that the rate of $12.55 includes treatment? It pays everything, including all costs of treatment.

**Mr. Lapointe:** Yes, it does. I am afraid I have not got a break-down here, but I could make it available easily to my hon. friend.

**Mr. Michener:** Perhaps I could have a copy of it at some time in the future.

**Mr. Lapointe:** Yes.

**Mr. Gillis:** I think it is important that we have this point thoroughly understood. Does the rate of $12.55 per day cover ward costs, nursing service, X-rays, all the technical examinations that you undergo in a hospital? Is that all-inclusive? That is the rate today in the average hospital just for the ward space without any of the technical services. I think we had better be careful about this. We know that the subject of a national health program is to be discussed today, and it would be very interesting to have the figures for which the hon. member has just asked. It would be a great guide to the Minister of National Health and Welfare.

**Mr. Martin:** Leave me out of this.

**Mr. Knowles:** He needs guidance.

**Mr. Lapointe:** This is the situation. The rate of $12.55 is the rate computed for every veteran who is receiving treatment in our hospitals at departmental expense. In the case of the veteran who goes into a hospital and pays, the rate is $11.55, and he has to pay his own doctor.

**Mr. Gillis:** He has to pay the doctor.

**Mr. Lapointe:** He has to pay the doctor himself. The rate of $11.55 covers all the services of the hospital, treatment, X-ray, laboratory, everything, but he has to pay his own doctor. In the case of the veteran who is being treated at departmental expense a dollar is added to the rate of $11.55 which covers the cost of medical care.

Item agreed to.

*513.* Prosthetic services—supply, manufacture and administration, $1,009,024.

**Mr. Harkness:** I notice that the department has a revenue of $380,000 from the manufacture of prosthetic appliances of various types. I am glad to see that there is some revenue, but my understanding is that prosthetic appliances are supplied to veterans free of charge. How does the revenue come into the picture? Are some of these appliances sold to concerns for general distribution throughout the country? Is that the source of revenue, or is it the case that veterans are to some extent not supplied with prosthetic appliances free of charge?

**Mr. Lapointe:** Prosthetic services are of course given to all veterans who are in need of these free of charge. We have a rather large factory in Toronto, and also factories in some other centres. We also do work on a cost basis for certain institutions and organizations, and we are paid for it.

**Mr. Harkness:** That is for civilians?

**Mr. Lapointe:** For some civilians. We do work for the Department of National Defence, the Royal Canadian Mounted Police and, as a matter of fact, all governments in Canada. We do work for the Canadian National Railways, the Canadian paraplegic association, the war amputations of Canada, various provincial workmen's compensation boards, the Red Cross Society of Saskatchewan, the British ministry of pensions and for other allied governments who may have patients living in this country.

**Mr. Noseworthy:** The minister indicated that veterans going into our hospitals pay for their own doctors.

**Mr. Lapointe:** Yes.

**Mr. Noseworthy:** Are veterans who go into veterans hospitals permitted to have the services of doctors of their own choice or must they take the hospital doctors?

**Mr. Lapointe:** They must use the doctors accredited to our hospitals.

Item agreed to.

*514.* Veterans bureau, $518,325.

**Mr. Herridge:** Some years ago, particularly after the conclusion of the second world war, there were complaints in various parts of my constituency about the time taken by the veterans advocate to prepare veterans cases. The reason was of course that visits to the interior were too infrequent. Only the larger centres were visited. The Legion branches in my constituency have asked me to express to the minister their great satisfaction with the way the service is working now. The visits are much more frequent. The veterans advocate visits many of the smaller places, and the Legion particularly appreciates the services of the men who have come into the district in the last two or three years and who, at considerable personal inconvenience, have visited veterans living in the backwoods, some miles along the trails, and that sort of thing. They appreciate very much the excellent service being given by the men responsible for it in the interior.

**Mr. Gillis:** At the meetings of the veterans affairs committee the Legion gave some six

or seven examples of cases of delay. Many of these were veterans bureau cases, and having listened to the evidence and the representations made before the committee I wonder whether the bureau today is equipped to handle the large volume of work that has been given to it since the end of the second world war. When the veterans bureau was first set up it was set up to deal with the problems of world war I veterans and it was doing pretty well until the end of the second world war. The cases I listened to led me to believe that perhaps much of the reason for the delay goes back to the veterans bureau.

There are two factors involved in delay in bringing a pension case to completion. One of the main factors is the gathering of evidence and the second is the fact that it is medical evidence. A large number of disputed cases involving different diagnoses by different doctors create difficulty for anyone sitting on a board and for the pensions advocate. There is a lot of work involved in preparing such cases for presentation to the pension commission. I am going to take the district of Halifax. I should like the minister to tell us the number of pensions advocates in that office now and the number there in 1945. Would he also give the number of staff in that advocate's office in 1945, and the number there today? It is a branch of the administrative staff of veterans affairs to which little attention has been paid since 1945. I am just wondering whether it has been organized and given the necessary staff to handle the new problems arising out of world war II and the Korean conflict.

**Mr. Lapointe:** I am afraid I have not before me figures to give the details concerning a particular district, such as Halifax. I could give the over-all picture, but I cannot give it for the particular districts. In all, we have 32 pensions advocates throughout Canada. The complete staff working in the pensions advocates' district offices throughout Canada in 1952 was 150, and it is now 145. There has been very little change. We have never pressed them to try to reduce their staff. I am glad, however, the hon. member did mention, while bringing this matter to my attention, the difficulties which do exist in preparing some of these cases.

In some instances, the pensions advocates are working under difficult conditions. I know in my own district an advocate might have to prepare a case in the Gaspe peninsula. He has to get hold of the witnesses, and there may be some considerable delay because he will go down there and find the witnesses are working in the bush on the north shore. He has to find the right moment of the year to go down there to try to gather that evidence, and then when he is ready to put his case before the board he finds that his witnesses are gone again. We are endeavouring, however, to find a formula which will expedite these cases as much as possible.

**Mr. Green:** I notice there has been a reduction in the staff of the veterans bureau from 157 during the last fiscal to 144 during the present fiscal year. Why was that reduction made? The unfortunate fact, from the point of view of the veteran, is that he can only get a retroactive pension up to eighteen months where there has been administrative delay. It is for that reason there is great importance in getting this work in the bureau done as quickly as possible.

**Mr. Lapointe:** I am told that the actual reduction was only five people, because although the establishment was 157 it had not been filled. There were five individuals who retired and we were advised by the chief pensions advocate that it was not necessary to replace them at this time.

**Mr. Green:** Would the minister—

**Mr. Lapointe:** My hon. friend will realize that it is quite possible—I do not know who the five employees were—there might have been a clerk grade 1 in one district office who retired, and that would not necessarily mean a pensions advocate. I do not know.

**Mr. Gillis:** I should like to ask the minister whether or not a pensions advocate has to be a lawyer?

**Mr. Lapointe:** No, the pensions advocates are not necessarily lawyers. The act does not call for the pensions advocate to be a lawyer. Actually all of them except three are lawyers, and whenever a vacancy occurs now we do make it a requirement that the candidate should be a lawyer. Originally many of them were not, and I might say that some of the pensions advocates who have done the best work for the veterans before the pension commission were never members of the bar.

**Mr. Gillis:** I know that as a result of the desire of the department it has been pretty well mandatory that a lawyer occupy that office. It has to be someone who is capable of assessing evidence, anyway. The evidence a pensions advocate has to assemble is medical evidence, and there is no one who can dispute medical evidence or confirm medical evidence except a doctor. I am wondering whether the pensions advocate has at his disposal some doctor whom he can consult as to the value of the medical evidence he is

preparing in a case that is going before the appeal board. In the final analysis, when these cases get into the hands of a pensions advocate for appeal, they are appealing to the last court. The advocate has to be very careful in preparing his evidence and making his case, because when he is finished the door is locked.

I will add this, that in most of the cases I have seen the pensions advocate has been accused of taking a long time in getting it ready. I did not consider that was a criticism. I considered that the time occupied in assessing the evidence, or in getting the evidence, was time well spent. For example, a doctor who may be a material witness for a pensioner in Nova Scotia or Quebec may now be practising in New York, and it is not easy to get the evidence. I have been wondering whether the pensions advocate has someone at his disposal in the area in which he is working whom he can consult as to the value of the medical evidence he is preparing for the appeal board.

**Mr. Lapointe:** Yes, Mr. Chairman, the pensions advocates have at their disposal the professional advice of any member of our treatment services branch or any of our specialists.

**Mr. Ferguson:** May I ask the minister whether the pensions advocate can consult with an eminent doctor who is not connected with the service in any way? Would the department pay the doctor's fee?

**Mr. Lapointe:** If it were necessary, and we did not have the professional people—which I would doubt very much—we might do so. It may be possible that in certain areas at one time we did not have the qualified professional people. We would authorize the pensions advocate to consult the proper person, but normally he would use the specialists which we have in our hospitals. Of course, if in gathering evidence on behalf of the veteran, the veteran tells him that at one time he was treated for a certain condition by a civilian doctor, undoubtedly the advocate would communicate with the doctor and discuss the case with him.

**Mr. Ferguson:** I know a particular case where a veteran had his ailment diagnosed as attributable to a certain injury he had received overseas. The man contended that his case had been wrongly diagnosed by the army medical officers. It took 20 years to prove that his contention was correct. It was only because I was able to consult a medical doctor in Toronto as a result of the evidence he had given me that they agreed finally with this man's contention, and the pension board did change the category of his pension. It was increased considerably.

But if one has to go back to the pensions advocate who has considered the first diagnosis, you get the same reply all the time. Yet there may be cases where outside doctors should be consulted. They might take a different viewpoint, and their judgment might be correct.

Even if it is necessary to obtain the services of outside doctors I am sure the people of Canada want to know whether the veteran's contention is the correct one, or whether he is in error. We should leave no stone unturned to obtain correct evidence and to have proper analyses, so that there may be proper diagnoses in cases of this kind. We know there have been cases where assistance from outsiders has been most beneficial.

Fortunately the doctor I consulted in this instance was willing to give his service free of charge. However, there may be cases where a veterans advocate should obtain corroborative evidence to support the contention of a veteran who is attempting to prove his case, and there should be no limitation on the services a veterans advocate could seek, on behalf of a veteran. And a proper fee should be paid for such service. I am positive no member of the medical profession in Canada knowingly would give bad advice, and that he would not support a veteran unless he was firmly convinced as to the correctness of the veteran's contention. If there is a policy whereby an advocate is limited to certain restricted medical evidence, then I think that is a bad policy.

**Mr. Shaw:** A minute ago the minister said that some of the best pensions advocates we have ever had were not lawyers. Then he proceeded promptly to assert that henceforth it will be required that when a vacancy is being filled a lawyer will be appointed to such position. I would like to know why, in the light of what he said earlier.

**Mr. Lapointe:** I believe I did not say "all" of the best ones, but rather that some of the best have not been lawyers. I am sure my hon. friend would agree that they would have been extremely superior had they also been lawyers.

**Mr. Herridge:** Mr. Chairman, I was about to ask the same question that has been asked by the hon. member for Red Deer, because the minister's statement struck me as being illogical.

I must endorse what the minister has said about pensions advocates because, from the first world war right through to the present,

some of the best pensions advocates we have had have not been members of the legal profession. I should like particularly to refer to the late David Markham, in British Columbia, who rendered such excellent service, and died on the job.

Item agreed to.

*515.* War veterans allowance board—administration, $145,860.

**Mr. Green:** Mr. Chairman, we had one difficulty in Vancouver during the last Christmas season which I believe could be overcome if action were taken by the Department of Veterans Affairs. For many years veterans on war veterans allowance have been able to get work with the post office during the Christmas rush, and whatever they have received for such work has not been deducted from their allowances.

Last year orders seemed to have been given by the postmaster in Vancouver that no one over the age of 60 would be given work. I raised the matter on the floor of the house and the Minister of Labour indicated that he knew nothing about an order of that kind. I believe the Postmaster General said the same thing, or at least that he would have it investigated.

I am told that order stood all through the Christmas rush and that these men were not taken on. It seems to me that it is most unfair, because the rule does not apply across Canada. I see no reason why the postmaster at Vancouver should be allowed to make a ruling of that kind—if, in fact, he did so. The injury was done, and the result was that some of those veterans had a poor Christmas because they were deprived of work they had been getting for some years.

Would the Minister of Veterans Affairs take up this question with his colleague the Postmaster General to make certain that in the coming Christmas season these veterans will be permitted to get work they have been having for so many years. I think it is rough treatment to turn them down only because they have reached the age of 60 years. Of course that is the age at which most veterans qualify for war veterans allowance. Very few qualify under that age. This is an injustice that should be corrected.

**Mr. Lapointe:** I thank the hon. member for having drawn this situation to my attention. I certainly will make sure that the matter is discussed with my colleagues in other departments who might be concerned. As my hon. friend knows, it has always been the policy of the Department of Veterans Affairs to encourage temporary employment of older veterans, and we intend to continue that policy.

**Mr. Green:** I believe the action of the Post Office Department in this instance was directly in conflict with the policy of the Department of Veterans Affairs.

**Mr. Lapointe:** That does happen in the best of governments.

**Mr. Hansell:** Mr. Chairman, the other night when we were discussing the first item in the minister's estimates there was considerable debate on the subject of war veterans allowances. At the adjournment hour I rose to speak, with a desire to follow the general line of discussion. However, we rose at that time and reported progress. Since that time I was informed that the minister was anxious to have the first item passed, and I agreed to that procedure in the light of the fact that there were other items on which this matter could be discussed.

I believe that what I have to say can properly be said under item 515. The matters of war veterans allowances, and the disappointment experienced because the terms of reference, in the recent parliamentary committee, were not broadened to include a discussion of war veterans allowances were gone into at considerable length, and I do not think I need take very much time in covering the matter again, or even in amplifying what has been said already.

There is not much left to say on the subject. The hon. member for Acadia, who represented this group in the war veterans committee, discussed the subject fully the other day, and paid particular attention to the permissive income feature. The hon. member for New Westminster followed in the debate and placed on record some further suggestions. The hon. member for Fraser Valley, also from this group, spoke on the subject. I rise at this time to support those members who have spoken on the matter and their desire that the war veterans allowance should be increased. I recognize that this is a matter of government policy. The previous speakers have not criticized the administration in any respect. In fact, all speakers have had the very highest regard for the administration itself, both the minister, who has a grasp of the entire situation in his department, and the officials who are under him in that department.

We are dealing with this matter as government policy, and it is government policy that we wish to criticize. When the resolution to set up the committee was on the order paper some months ago, I understand, a delegation from the dominion command waited on the Prime Minister and some of his cabinet, and requested that the matter of war veterans allowance should be included in the terms of reference of that committee.

I understand the Prime Minister was very frank with the delegation from the Legion command, and that is commendable. There is no use beating about the bush. If government policy is as it is, those responsible for pronouncing that policy might just as well come out and say so. The Prime Minister is to be commended on not hedging on the matter. I believe he told the command that government policy was such that they would not make an increase in the allowance; that to include it in the terms of reference would mean that they were giving some little hope that it might be done, and to give such hope would be misleading. Therefore the answer was no. He could not be any more direct than that, he could not be clearer, and he could not be any more honest than that. That was the right thing for him to do as far as his attitude or comment was concerned; but we criticize the answer he gave because we believe it was the wrong one. He should have been willing to permit the terms of reference to be widened with a view to recommendations being made, and the government should have been prepared to meet those recommendations.

We all have a great regard for the veterans. We know that when the veterans were called to the colours, either by conscription or through voluntary enlistment, they did not begin to weigh the consequences of their post-war life, and what they would get out of it afterwards. I wonder whether one might draw on his imagination. If a young chap went into a recruiting office and said: "I would like to join the forces, but there are a couple of questions I should like to ask before signing my name on the dotted line. Should I join the forces and play my part in the protection and preservation of democracy, if I offer my life for my country, what can I expect my country to do for me when I return?" If that recruiting officer had been able to look into the future he would have had to answer something like this: "Well, I have it on the highest authority that we will not do much of anything for you until you are in desperate need, and then we shall give you a subsistence allowance; but even then it will have to be under the means test." The young chap might have said: "Since my people are able to take care of me, what then?" The answer would be: "Well, that is what they should do, and if they take care of you and give you anything, then I am afraid we shall have to take that off your allowance." The young man might then reply: "Suppose I come back safely and I die and leave a widow, what is going to happen to her?" The reply might be: "Well, the same thing would happen to her as would happen to you. If she is in need we will look after her, and if she is really in need we will see that she gets something, and of course that too will be under the means test." You can carry that illustration along as far as you like and then ask the question, would the young chap volunteer if he had been told the truth?

**Mr. Ferguson:** I hope so.

**Mr. Hansell:** I hope so, and I think he would, and I would not argue that case because I think anyone who wanted to volunteer had no thought of weighing the consequences of the post-war life. Nevertheless, when we look at it in that way the only conclusion we can come to is that any person who was called to the colours or enlisted, and went out and offered his life for his country, should be adequately cared for upon his return when the need arises.

On the basis of that we have a perfect right to say now that this matter of war veterans allowance should be continually studied. I know the minister will reply that they are continually studying the position of the war veterans in respect to allowances, but it should go further than that. The interest should be of such a character that a veterans committee of this house could sit down and discuss every possible veterans' problem and then come to the government with every possible recommendation. The government should weigh those recommendations and say: We will do all we can for those veterans. They should assume that that which is physically possible should be made financially possible.

I will not say anything else. I rose to support the previous speakers who have put on the record the desire of this group and others who have put on the record the desire of their various parties. Yesterday on the orders of the day the Prime Minister was asked if he would still consider the matter. He gave the answer as a definite no. Well, we can conclude that at this session nothing is to be done. Might I urge the government to take this matter under very serious advisement during the next few months, and at the commencement of the next session come down with a program of allowances that we shall indeed be proud of. Might I urge the government to do that? It would be one of the finest things that happened in this session if the minister could rise before the items are concluded and say: we expect to do something within the next session of parliament.

**Mr. Nicholson:** I am sure the minister will receive some satisfaction from the fact that

there has not been any criticism of the administration of this important department of government. Most of the discussion has been about this controversial question which we are now discussing. Since coming back to parliament in 1953 I have had very few complaints from the various Legion branches in my constituency. Apparently there is quite a marked improvement over conditions of some years ago. I think that members in all sections of the house have made their remarks in the hope that the minister might have a larger share of the total national budget for his particular department.

During the early years of the war we had a visit from the then minister of finance in New Zealand, and I have never forgotten the policy of the New Zealand government as he outlined it to us then. He said they were going to do everything in their power to see that those who went to war would not be worse off than if they remained at home. Secondly, that no one who remained at home would be better off at the end of the war because he remained at home.

The present Minister of National Defence was a private member then, as I was, and I was interested to hear him speaking in Montreal shortly after he became Minister of National Defence and he pointed out that the goal of this government was exactly the policy outlined by Mr. Nash.

However, I do not feel that the government of Canada has dealt as generously with the Minister of Veterans Affairs as with his colleague the Minister of National Defence. I followed the minister very closely the other night, and he stated that the proposal made by the Legion would increase our liabilities by about $27 million which would be an increase of about 95 per cent. I think we must ask ourselves whether the Canadian economy will stand an additional burden of $27 million to discharge our responsibilities for war veterans allowances. I realize it is easy for members in opposition groups to recommend increased expenditure all along the line. But I think it should be stated that the Canadian Legion is a non-partisan organization and it is comprised of honest, stable citizens who do not recommend expenditures which are unreasonable.

I have in my hand a report of the Department of Defence Production for the year 1953 and I find that this department points out that up to the end of 1953 certificates had been issued covering some $665 million of capital investment in facilities for the production of both basic materials and defence supplies, and thereby allowing additional benefits by way of income tax write-offs amounting to $277 million. It adds that the Canadian government defence procurement expenditures during the year totalled $1,174 million, slightly up from the amount for the previous year.

Now, no hon. member of parliament has criticized this expenditure. But I think that if we are going to spend $2,000 million for defence purposes it must be agreed that Canada must discharge its responsibilties to the veterans of world wars I and II and the Korean war.

I found myself in a position where I was too young for the first war and too old for the second war, and so I think I can say that those of us who remained at home found ourselves in the most prosperous period in Canadian history. I believe at this stage that to increase compensation to veterans to the extent of $27 million is not going to place an unreasonable drain on the Canadian economy.

Following the line of the remarks made by the hon. member for Macleod, I think that our treatment of soldier settlers after the first world war is not a performance of which we can be especially proud. I remember a delegation coming to Ottawa during the war years trying to get legislation to relieve them of their farm indebtedness. These men stated they did not think they would be a good recruiting team to go across Canada to outline what their experience had been farming in Canada after they had "made the world safe for democracy". I remember one time I found myself in a veterans affairs office making representations on behalf of the widow of a very close friend of mine. This chap was the principal of a school and he enlisted and gave his life for his country while in the service of the air force in Egypt. At that time his widow found her income drastically reduced. She had a young son to support and she found it necessary to seek assistance to go to business college to supplement her income. The veterans affairs officer was very sympathetic and he told her that if she had lost her husband during the first war the pension would have been much less. I shall never forget her reply. She said: "If my husband had remained as principal of the school I would not now be in a position where my income was cut so drastically that I could not support the young lad and give him the kind of education he would have had if his father had remained at home". I do not think anyone would try to defend the position in which that widow found herself, because she is now very much worse off because her husband gave his life for his country.

So, Mr. Chairman, I would like to suggest to the Minister of Veterans Affairs that he

should not give up despite what the Prime Minister said yesterday. The hon. member for Winnipeg North Centre asked:

> In view of the unanimous and wholehearted wish of all private members of the house, will the government even yet reconsider the matter of introducing legislation at this session respecting the War Veterans Allowance Act?

The Prime Minister's very definite reply was "No". But the cabinet as a whole must take the responsibility for making a decision on this matter. I personally believe that, with our Canadian economy as it is, no hon. member can suggest that an additional $27 million per year would place a strain on us which would have disastrous effects. I hope the minister will carry out the undertaking he gave the other night to the following effect, as reported at page 6197 of *Hansard*:

> I can assure hon. members that the recommendations made by the veterans affairs committee to the effect that this matter should be considered with sympathy by the government will receive the attention of my colleagues and myself.

As there is not much sign of the house winding up in the very near future I hope that over the week end the minister will have an opportunity to discuss this matter with his colleagues and decide whether a larger share of the total national budget cannot be made available.

General Gruenther was here a week ago and I feel sure that if he had submitted that NATO required an additional $100 million a year the Canadian government would have given very serious consideration to finding that amount of money. I think that, in accordance with the request of the Canadian Legion and the suggestions made by the committee, this matter should receive the sympathetic consideration of the government.

**Mr. Dinsdale:** Mr. Chairman, I have been reading the statement made by the minister on the subject of war veterans allowance as reported in *Hansard* for Thursday. Unfortunately I was absent from the house over the past two days because of very important business in Manitoba and this is the first opportunity I have had—

**An hon. Member:** For whom did you vote?

**Mr. Dinsdale:** —of making a statement on this important subject. Looking at the minister's statement, I find there are many points which are helpful and enlightening regarding the question of war veterans allowance. My observation, however, is that it is unfortunate that such a statement was not made before the special committee which recently concluded its deliberations. Special committees are called together for the purpose of dealing with matters which are more or less contentious, and I do not think any hon. member will take exception to the statement that the subject of war veterans allowance is a rather contentious one at the present time. It is not possible to come to the close grips necessary in any discussion that arises out of the minister's statement to the committee of the whole on Thursday last. After my experience while sitting in the committee, I came away from the committee with a feeling of frustration with regard to this subject of war veterans allowance. Unfortunately the elucidation given by the minister has not dissipated that feeling because I feel certain that there is much more to be said on this subject that has received such great emphasis during the past three or four years by the veterans of this country and by those who are interested in veterans' welfare.

One point I should like to make particularly is the interpretation given by the minister with regard to the purpose served by the implementation of the war veterans allowance legislation back in the year 1930, I believe it was. In his statement, as reported at pages 6194 and 6195 of *Hansard,* he emphasized that it was legislation to provide for a premature old age pension at age 60; that is, it was considered that veterans, as the result of their war service, had aged prematurely by at least 10 years. Throughout the minister's statement he emphasized the continuing connection between war veterans allowance and the principle of old age payments.

It is true that he points out that the bounds of the war veterans allowance have enlarged considerably since the legislation was originally introduced, but in the argument supporting the government's present stand on the matter he comes back repeatedly to the comparison between war veterans allowance and old age pension legislation. It seems to me that in the application of the war veterans allowance legislation down through the years it has been expanded to include marginal disability cases as well as those who come under the terms of premature ageing. In many cases of disability that show up years after the veteran has been discharged and has returned to his civilian pursuits, it is almost impossible to rule whether the disability is the result of war service. This statement is particularly true in the case of functional or hysterical disorders. During the sitting of the committee I attempted to discuss this matter and I found that there was much hazy thinking on the matter of disabilities other than direct physical disabilities. Since the committee rose I have been checking the Pension Act, and I have discovered that section 32

of that act deals specifically with these problems in subsections 2, 3 and 4. Subsection 2 reads as follows:

(2) When in the opinion of a medical neurological expert an applicant for pension or a pensioner has a disability that is purely functional or hysterical no pension shall be paid, but such member of the forces shall immediately be referred to a neurological centre for treatment.

Then in subsection 3 the act goes on to enlarge further on the point. Subsection 3 reads as follows:

(3) In cases in which the functional or hysterical disability disappears as the result of treatment the commission may, in its discretion, award a gratuity in final payment not exceeding five hundred dollars but no pension shall be paid.

Then subsection 4 reads as follows:

(4) When as the result of treatment the functional or hysterical disability has not disappeared a pension shall be awarded in accordance with the extent of the disability, if the applicant or pensioner has not unreasonably refused to accept or continue treatment.

In some of the cases which have become eligible for war veterans allowance and with which I have come in contact, I would come to the conclusion that they are victims of hysterical or functional disorders or, as the psychologists put it, they are victims of neurotic difficulties. It seems to me that because of the vague handling of the problem in the Pension Act the interpretation of the War Veterans Allowance Act in practice has been extended to cover this particular problem group. That being so, I think the terms of the act go far beyond the comparison that has been drawn between war veterans allowance and old age pension. In view of this conclusion, I maintain that the demands which have been put forward for several years now by the Legion are not unreasonable. If we literally interpret the war veterans allowance as being comparable with the old age pension and all veterans automatically become eligible at 60, resulting in an expenditure of some $27 million, under the proposed increases as the minister indicated in his statement the other evening, perhaps it would be necessary to review the interpretation of the legislation and to draw the lines more clearly so that adequate payment might be made to those marginal disability cases to which I have referred, particularly those suffering from functional or hysterical disability.

Unfortunately, discussion of this subject in the committee of the whole does not provide the opportunity to go into the detailed discussion that would have been possible had the minister made his statement in the special committee and had we been able to have a thorough give-and-take discussion there on this important matter.

At one o'clock the committee took recess.

*Supply—Health and Welfare*

The committee resumed at 2.30 p.m.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Department—

247. Departmental administration, $1,150,272.

**Mr. Blair:** Does the minister wish to make a statement?

**Mr. Martin:** No.

**Mr. Blair:** It is unfortunate, Mr. Chairman, that we cannot devote more time to a department as important as the Department of National Health and Welfare. In view of the large amount of money expended by this department, it would be impossible and futile, within the space of four or five hours in an afternoon, to attempt to investigate the financial end of the department's operations. It is true that a large proportion of the money expended by the department is statutory. I refer to the money expended on old age pensions, the new disability pensions and family allowances. These are purely statutory, and if there were any question about them it would be as to the adequacy of the administration.

Therefore I believe that the average member, in going over the estimates of the Department of National Health and Welfare, simply takes the attitude that money spent for health is money well spent and leaves it to the minister and his officials to carry out this work. With an important subject of this kind it would be better if we could have a committee so that we might be able to spend a longer time in examining these estimates. There is nothing so important as national health and welfare, and it would be most helpful if we could spend further time not only in investigating the financial aspect but in making recommendations to the minister. I am sure the minister would be glad to hear them, and we would also be able to hear more from the minister on points of interest involved in the consideration of his estimates.

There is one thing that is always very important in the consideration of these estimates, the investigation and inquiry into the causes of mortality in the dominion in the last year. These do not seem to change very much from year to year. Some changes are taking place with new types of treatment, but we note that the same old enemies are at the top of the list. I refer to cancer, heart disease and the so-called vascular diseases. Changes are taking place with respect to them, and we cannot always trust statistics to show the true picture because people are living longer and it is only natural in their old age they should fall prey to some form of disease. There has to be something that carries them away.

Therefore while the statistics on cancer may seem to indicate that its incidence is greater, it is only natural that people living to an old age will develop this disease or others, particularly heart disease. With reference to heart disease, I should like to emphasize the necessity for some form of accelerated research into the many causes of sudden death by coronary disease not only in Canada but in other countries. Research is being conducted but there is a need for acceleration of the investigation of something that is really becoming a problem. Frequently our attention is directed to the fact that some person has passed away with coronary disease. In the newspapers we only see the names of people whose passing has drawn the attention of reporters. We know that public men are passing away early in life from coronary disease, and I should like to suggest to the minister that every dollar that can be spent on accelerated research into the cause of death from coronary disease should be spent because it is becoming a problem.

In looking over the causes of death in the Dominion of Canada, I was struck by the large number of deaths from accidents. It may be that part of what I am going to say was discussed at the time of the consideration of amendments to the Criminal Code. I am referring to traffic accidents, but in view of the fact that accidental deaths are now the fourth cause of death in Canada I think it well that something should be placed on the record in this regard. I do so for the reason that I believe that consideration of this matter in the federal parliament on the estimates of the Department of National Health and Welfare may add some impetus to doing something about it.

I wish to place on the record certain statistics which I think are rather frightening. I also wish to read a short extract from that highly reputable magazine, *The Canadian Doctor*. It is true that some 5,000 accidents occur through other causes, but industry is striving very hard to avoid accidents. Organizations like the workmen's compensation boards are making inquiries into the causes of accidents in industry and are doing everything possible to cut down the mortality and injury rates. However, traffic accidents seem to be increasing. Two days ago the hon. member for Oxford asked one of the ministers for statistics regarding traffic accidents. The minister did not have them available, and I do not think they are issued by the dominion bureau of statistics. Therefore, with the permission of the committee, I am going to read a short article from *The Canadian Doctor*.

[Mr. Blair.]

The article was written by a highly reputable medical practitioner, Dr. Harold Elliott, who is a prominent Montreal neurosurgeon, and I note that the article commences with a quotation from certain remarks made by the Minister of National Health and Welfare. I do not know where he made these remarks. Possibly it was in the course of some address that he delivered, but I must say that I agree with him. It was a very suitable introduction to the short article on the unenviable record of the Dominion of Canada. In the minister's statement I find these words:

> In the past fifty years our general mortality rate has been reduced by one-third, placing Canada fourth among the nations of the world.

This is the important sentence.

> Were it not for the increasing toll taken by accidents, our general mortality rate would be even better.

Accidents, as I said, are the fourth ranking cause of death in this country. I wish to read the article, and I will ask the permission of the house to place the statistical records on *Hansard*. The article reads as follows:

> Last May in *The Canadian Doctor* Dr. Harold Elliott, prominent Montreal neurosurgeon, attempted to bring home to Canadian medical men in general the appalling and steadily mounting mortality rate from automobile accidents and stir them, as dedicated to the preservation of life, to a sense of responsibility for concerted action which would reduce this. As pointed out by him, a total of 2,500 automobile passengers killed and approximately 54,000 injured in 1952 ranked this as one of the leading causes of death and maiming in the dominion. One is not surprised at the statement of the world health organization, made after the first international study of transport mortality covering fifteen countries, that "mortality from transport accidents represents one of the most important causes of death at certain ages" but it is distressing to find that Canada has almost the worst and least enviable record in this regard.
>
> Twenty-two types of transport accidents are analysed in the W.H.O. study. The motor vehicle comes far ahead of all other means of transport as a cause of death. Far lower in the statistical scale are railway accidents, followed by road accidents caused by non-motor vehicles, and water transport accidents. Aircraft accidents appear at the bottom of the list and mostly affect personnel in military aircraft.
>
> A comparison between the death rate caused by transport accidents and that resulting from disease shows that in a number of countries transport accidents rank with tuberculosis as a killer, especially of men; they are far more dangerous than many diseases such as nephritis, diabetes, and sometimes influenza. And transport accidents kill more men than women.
>
> But it is among the young, where the general death rate is naturally low, that traffic is the number one killer. In certain countries one fourth, one third, or even more young people who die between the ages of 15 and 24 are killed in transport accidents. In this age group males are more likely to be killed than females, the proportion reaching as high as five to one.
>
> What it is wished to emphasize here is Canada's unenviable record internationally in this regard. Those who were appalled at the Canadian situation

as presented by Dr. Elliott must be further shocked to learn that both as regards general transport deaths and deaths from this cause in the age group 15 to 24 Canada has one of the worst records in the world. It should prove further disturbing to doctors and bolster the argument they concertedly make themselves responsible for doing something about it.

I am going to place these tables before the house. The first table shows the proportion of deaths due to all transport accidents compared with general mortality, from all causes, in percentage. I wish to remind the house of that sentence: "compared with general mortality, from all causes, in percentage". The table is as follows:

| Males Age Group 15 to 24 | | Females Age Group 15 to 24 |
|---|---|---|
| Per cent | | Per cent |
| 43·2 | New Zealand | 4·5 |
| 34·2 | Canada | 15·2 |
| 34·1 | U.S.A. | 12·3 |
| 30·8 | South Africa (European population) | 2·8 |
| 29·7 | Denmark | 6·9 |
| 27·7 | England and Wales | 6·5 |
| 23·1 | Germany (Fed. Republic) | 7·2 |
| 21·1 | Switzerland | 5·0 |
| 19·7 | Netherlands | 3·8 |
| 16·9 | Scotland | 3·10 |
| 12·3 | Italy | 2·2 |

I point out the fact that Canada is the highest of all countries with a rate of 34·2 for male deaths between the ages of 15 and 24 and 15·2 for females. When we read of the holiday accidents in the United States we think the toll is very high, but it is ·1 per cent higher than in Canada.

I point out that the other table may be more interesting to hon. members, and that is the rates per 100,000 of population. I fancy I can hear some hon. members saying that the other rates were high for the populations, so I bring them down to this table showing the rate per 100,000 of population. The table is as follows:

Transport Mortality
Rates per 100,000 population

| | Total Average | Males | Females |
|---|---|---|---|
| Australia | 20·9 | 49·2 | 10·1 |
| Canada 1952 | 25·4 | 39·6 | 10·9 |
| Switzerland 1951 | 20·2 | 33·9 | 7·1 |
| South Africa 1950 (European population) | 20·1 | 33·4 | 6·7 |
| Germany, Fed. Rep. 1951 | 19·3 | 33·2 | 7·1 |
| New Zealand, 1952 | 18·1 | 30·5 | 5·6 |
| Denmark 1951 | 15·1 | 24·5 | 5·9 |
| Scotland 1951 | 13·4 | 22·2 | 5·4 |
| England and Wales 1951 | 12·8 | 20·7 | 5·5 |
| Netherlands 1952 | 12·7 | 20·7 | 4·8 |
| Italy 1951 | 12·2 | 20·8 | 3·9 |
| Finland 1952 | 11·8 | 19·1 | 5·2 |
| Japan 1951 | 9·5 | 14·9 | 4·2 |

I again remind the house that this is put on a percentage basis per 100,000 of population.



It may seem unusual to some people that I have brought this matter before the house during consideration of the estimates of national health and welfare. I know that the minister has not any responsibility with regard to these casualties, but on the other hand we are considering the dominion estimates for the Department of National Health and Welfare and this cause of death is fourth in the list of mortality rates. While this subject was under discussion some weeks ago, and we had a fairly long debate in connection with it, I hope that bringing before the house this casualty rate will cause something to be done about it and institute some form of program across the whole of this dominion with a view to cutting down this cause of death, which is fourth on the list of mortality tables.

In the matter of health and welfare, I have always been rather jealous of the position of the provinces. The control of health matters is within the jurisdiction of the provinces, but sometimes across the country a misunderstanding seems to arise as to who is doing the greatest work in that connection. Sometimes, in my jealousy over the position of the provinces, I feel that the federal government is taking credit for some of the things the provincial governments are doing.

I should like to put on the record the position with regard to hospital grants. Many times during the last few years I have mentioned the amount of money that the provinces are spending. The federal government does not match the total amount of money spent by the provincial government. It is true the federal government gives matching grants for hospital construction, but in connection with the work done in my own province the provincial government spends $2.57 for every dollar spent by the federal government, that is so far as 1953 is concerned. The federal government does contribute thousands of dollars for hospitals, but does not contribute towards the maintenance of the hospitals. The Ontario government, for instance, makes a grant of $8,500 for beds in mental institutions, but the federal government only contributes $1,500 towards that work.

It is true the federal government does contribute money towards mental health, but I want to place on the record the fact that the provinces are still doing a tremendous job in the advancement of health projects.

While I am speaking about this matter of the work done in the provinces in relation to the work done by the dominion, I wish to bring before the house one item which I feel

should have consideration from this committee. I refer to the question of the growing number of mental cases in this country. I was struck by a statement that came from the dominion bureau of statistics indicating that patients in mental hospitals and psychiatric units outnumber all other patients in hospitals by more than 10 per cent. At the end of 1952—and that is the last date for which the complete figures were available—there were 61,925 patients in mental hospitals, while the number of all other patients in public hospitals was 54,284. I shall repeat those figures: 61,925 mental patients, and all other patients in hospitals numbering 54,284.

This brings us to the question of the shortage of beds in mental institutions, and the difficulty of obtaining treatment for cases in those institutions of those we have found it necessary to send there. While I am not in active practice at the present time, people still come to me and ask me if I can do anything to help get a patient into a mental hospital, because the waiting period is so long.

It is difficult to treat a mental case in a private home, but sometimes these patients have to wait some considerable time before beds are found available. If we are going to deal with this question, and if we keep in mind that 10 per cent of mental cases over all other types of cases in hospitals, then we have to do a great deal, and possibly something more than we are doing at the present time. A great deal of good could be accomplished by the extension of mental health units. I note—and I agree with the procedure—that the federal government is giving grants for that sort of thing. But we have to go much farther. While the provinces with the larger populations are making beds available, and trying to accommodate these people as rapidly as they can, one wonders if it would not be good policy to have smaller hospitals, or branches of psychiatric units attached to our larger hospitals. Thereby something could be done by way of early treatment.

It is known at the present time that there is more to the treatment of mental cases than just the matter of custodial care. An increasing percentage of these people are coming out of the hospitals in a cured condition. If we could have smaller psychiatric units attached to our larger hospitals there would be a chance to treat these cases earlier, so as to try to bring the disease under control. A great deal of work could be done among younger people in the mental health units.

I am aware that the government in my province has been working on this scheme, and has been doing good work in treating the cases early and attempting to make cures. I now go back to the information given out by the dominion bureau of statistics regarding mental disease. Perhaps I might quote from a newspaper article based on a statement made by the bureau of statistics, as follows:

> Advances in combating infectious diseases in prolonging life expectancy, and in the general improvement in physical health have not been matched by comparable reductions in the incidence of mental disorders. Indeed, the successful control of a number of deadly diseases has served rather to accentuate the seriousness of mental illness as the cause of much suffering and unhappiness, and from another viewpoint, a great wastage of our human resources.

I hope that in Canada we can institute a program. While I realize that health is within the jurisdiction of the provinces, I believe we can do something to combat a condition in which, as I repeat, the number of patients in mental hospitals is 10 per cent higher than the number of admissions to ordinary hospitals

I am not going to talk about the incidence of some of the diseases we have covered in years gone by. As I said in the beginning, the percentages per population are probably getting better. In the past I have criticized our rate of infant mortality as compared with that in other countries. I must say however that this rate is improving; and I give credit to the research done on the subject. Advances in forms of treatment as well as new drugs have helped a great deal.

At this time I should like to pay tribute to the people who are working on this problem. I refer particularly to the general practitioners who are meeting the problem of treating these children, in infancy, and at early ages. I think much of the progress we are now making in the matter of infant mortality is due to those practitioners, and we can congratulate them upon the work they are doing. But last year I was alarmed, as I have no doubt were also the minister and the department, by the growing incidence in the outbreaks of poliomyelitis or infantile paralysis. I have here the record of poliomyelitis in Canada for 1953. The information is given by provinces, and I note two things about it. First of all, the greater number of cases occurred in July, August, September and October, and even into November, and that they occurred in the western provinces.

We have not yet got the answer to poliomyelitis, but some wonderful research is being done throughout the world, and particularly in Canada. I refer to that being done at the Connaught laboratories in an attempt to prepare something that will cope

with this disease. But, so far as cure is concerned, we must go back to the therapeutic measures which have been instituted to try to stop the horrible crippling that occurs.

In this connection I would refer again to the work being done in Ontario. I would call the attention of hon. members to the excellent results obtained when Ontario instituted a program under which every case of poliomyelitis or infantile paralysis becomes a ward of the province for treatment purposes. From the time a case is diagnosed, the province takes over all the treatment. Looking back on the results obtained years ago, before this program was instituted, I find it amazing to note some of the recoveries that have been made. Not only is it important that these young people should be spared the crippling effects of this disease, but it is important from the standpoint of the state.

Only a few days ago we were discussing a bill with respect to disability. We were proud and pleased to vote money to disabled persons by way of pensions. But I suggest that the program which has been instituted in Ontario, to which I have just made reference, could be carried out in all the provinces of Canada. So far as can be done by way of treatment, it would go a long way toward clearing up the crippling effects of this disease.

I should like now to say a few words with regard to hospitals. The financing and building of new hospitals requires a great deal of money. Sometimes it is difficult for the public to understand why there is this constant demand for more beds, more accommodation. But I am going to place before the committee some of the statistics from my own province so that hon. members may have some of the facts in connection with hospitalization. It is not generally understood why there is such a demand, but certain facts stand out. Our population is not static. Every year there is an increase in population and that increase means that we must have more hospital accommodation, more hospitals for treatment of that increased population.

I should like to point out that advances in medical science, new forms of treatment, have made it imperative that these people be treated in hospital. That means that hospitals that were once adequate in size must be enlarged, and for those rapidly growing communities hospitals must be provided. It requires a great deal more money now to construct new buildings than it did years ago. The costs have risen very sharply. The assistance from the federal government and the provincial government constitutes really only a small part of the actual cost of the hospital facilities. The citizens themselves and the municipalities have to share in the cost of providing hospital services for their own communities.

What is the position of the municipalities? It is true that a certain amount of money will be raised for this purpose by appeals to the public. On the other hand, the municipalities find it very difficult to finance the building of new hospitals or the expansion of existing hospitals, and very often the maintenance of older existing hospitals.

In the consideration this morning of the estimates of the Department of Veterans Affairs certain figures were placed on the record regarding the cost of hospitalization. I take these figures from the Ontario records. The average length of stay in hospitals now is shorter than it formerly was. It is 9·23 days; but the average cost of a patient in a hospital per day to provide for his treatment is $12.58—these figures refer to the year 1952—as opposed to $11.54 per day in 1951. There is an increase of $1.04 within one year. Out of this amount—and I am referring to Ontario; I am not acquainted with the records of the other provinces, but I think the comparison will be practically the same in all of them—of $12.58 per patient per day, the patient pays only $8.83. The difference has to be made up by grants from the various governments, federal, provincial or municipal, or from another level, namely, donations from the people who are interested in hospitals.

Something further is happening; more people are going to the hospitals because it is increasingly difficult to get help in the home or to get nurses. And, as I said, much of this treatment that is now given has to be given in hospital. We have arrived at the stage where practically 90 per cent of the babies are born in hospitals. The expenses have gone up. At the end of 1952 there were 9,855 more employees on hospital staffs than in 1947. In the matter of wages and salaries, they have increased. I often hear people say: why are hospitals costing so much? Why this constant appeal to the public? Since 1941 wages and salaries have gone up 150 per cent. Not only that, but food costs have gone up 200 per cent, and the hospital cost for drugs and medical supplies rose in that period of not quite ten years by 114 per cent. Therefore one can understand quite readily, when I make this appeal for more money for the hospitals, that there is a reason, and these figures should be placed on the record so that people can understand why hospital costs have gone up.

I now come to the question of nursing staffs and nurses in Canada. I hear the statement

made that we generally suffer from a shortage of some 10,000 nurses in Canada, although I know somebody said that the distribution was at fault. It is difficult, but it is costing the hospitals something to give nurses an education. Again I turn to the records of Ontario, which has about 5,000 nurses in training at all times. But so far as the hospitals are concerned, it represents an expenditure of $1,500,000 on education, for which those hospitals receive no educational grants. The position of the hospitals is increasingly difficult, and any person who has had any experience on the board of a hospital trying to finance a hospital and keep out of the red will know it is a very difficult position. Many of the municipalities are very much worried in trying to maintain hospitals, although the demand for more hospitals and more hospital beds is constantly before us.

I am not going to speak on the matter of the statistics of this department any further, sir, but at this time I wish to bring before the committee a few remarks on health insurance. I am going to ask the minister one question only when we come to the item on health insurance studies, and that is this. What is the minister doing and what has been accomplished? Will the minister give us a full statement on the studies that are being made? I bring this question of health insurance before the committee because in the past statements have been made in regard to a vote that was taken here in December, 1953, on the amendment to the speech from the throne that was introduced by the C.C.F. party. I have found a certain amount of propaganda going out that the Conservative party voted against health insurance. I thought I explained to the house at that time that we voted against socialized medicine. I made it very clear at that time—

**Mr. Gillis:** What is the difference?

**Mr. Blair:** There is a large difference.

**Mr. Gillis:** Explain it to us.

**Mr. Blair:** I will, shortly. I made it clear at that time in the latter part of my speech that every party in this house is committed to health insurance. I admit, sir, that any form will produce and do some good, but we are committed to a form of contributory insurance. It is not sufficient to say that every form is the same. There is a great deal of difference in them, and the more you study them, the more do those differences become apparent. In the first place, one must realize that health is within the jurisdiction of the provinces. One cannot get around that. The second thing is that if you are going to make health insurance succeed at any time, one of the most important things to remember is the matter of doctor-patient relationship. That must be preserved, no matter what happens. No health insurance scheme can be effective unless the doctor-patient relationship is preserved. The views of the doctor on this matter are very important. I say that not because I belong to that profession; but I hold that we must receive their help, their co-operation, their good will and their agreement before any form of health insurance can be a success. Our idea of health insurance is not state medicine. We believe in a minimum of controls, not a maximum.

We want this to be a free form, a free plan. I do pay tribute to the many forms of free insurance at the present time—Blue Cross, and some of the forms that have been instituted by the doctors themselves. They are doing marvellous work in this country. Therefore those facts become very apparent in the consideration of that question; but there are certain facts regarding state medicine, and I wish to place on the record the views of a very important and outstanding man from England, Dr. Reginald Hale-White, who addressed the Canadian Medical Association at its convention last week. I quote from a dispatch from Vancouver regarding a speech he made out there:

> Dr. Reginald Hale-White of London says socialized medicine in Britain leaves "much to be desired, because it is not giving the general public its full worth."

And remember, sir, I stated that any plan will do a certain amount of good, but we in Canada are looking for the best plan. I continue with Dr. Hale-White's statement:

> The doctor, on the council of the British Medical Association, is representing the BMA at the Canadian Medical Association convention here.
>
> The service in England, he said, "is costing the public $1,400 million a year.
>
> "It is not at all what the politicians said it would be," he said, "and it should have been introduced gradually, instead of with a bang, as it was."
>
> Dr. Hale-White listed four complaints against the medical scheme, which has been in effect since 1948.
>
> They were:
>
> 1. The introduction of the scheme led to the belittling of the general practitioner, because the government stressed that the public would have access to the best specialists under socialized medicine.
>
> 2. People began bothering the doctors and hospitals with trivial matters.
>
> 3. The time a doctor could give his patients was being challenged by paper work necessary under the scheme.
>
> 4. Hospitals became cluttered with cases that should have been handled by general practitioners but were not because of lack of time.
>
> The doctor, who is leaving Friday for a cross-Canada tour and then home, warned that these are some of the things that should be watched under any national or provincial hospital insurance plan in Canada.

I repeat, Mr. Chairman, that this party is in favour of health insurance. We are opposed to state medicine. We believe a contributory plan could be introduced which would cover the situation without having state medicine in Canada.

**Mr. Knowles:** Mr. Chairman, I am sure that all members of the house will agree that we have come this afternoon to a discussion of one of the most important functions of government. That applies to the work being done by the federal Department of National Health and Welfare. It also applies to the work being done by the various provincial departments of health and also the great amount of work being done at the municipal level. I think also of the great deal of work in the field of health care that is done by the school boards and school districts of this country.

As I say, we feel that this is one of the most important functions of government at all levels of government in Canada. I do not want anyone to infer from what I have just said that despite its importance there has been no discussion of health and welfare matters at this session. I do not rise to make the charge that it has been left to the dying days of this session. That would certainly be inappropriate for a department and a function of government which is so important, and we made sure that these matters were discussed all through the session.

The fact is that we have had quite a number of discussions during the course of this session on matters that come within the purview of this department. The hon. member for Lanark referred a few moments ago to the amendment which was moved by my leader, the hon. member for Rosetown-Biggar, which was the subject of discussion during the debate on the address in reply to the speech from the throne. The words in question were these:

> We further represent that this house regrets that Your Excellency's advisers have failed to recommend legislation establishing a nation-wide health insurance program, with provision for provincial participation.

In addition, we have had discussions spread through the session on a number of other matters that come under this department. We have had two or three discussions on the subject of old age pensions, including both old age assistance and old age security. Indeed, on May 31 there was before the house in my name an amendment to the motion to go into ways and means dealing with old age assistance, old age security, and blind pensions. We have also had a discussion on the question of family allowances which was precipitated by a private member's motion presented to the house by my deskmate, the hon. member for Assiniboia.

As the hon. member for Lanark pointed out, we have also had a discussion on disability allowances arising out of the legislation which the Minister of National Health and Welfare at last introduced in connection with that matter. In addition to these formal debates, Mr. Chairman, there have been repeated questions throughout the session on matters relating to health and welfare which bear witness to the tremendous importance of this phase of government.

I think too of the meetings that have been held during the course of the session by the voluntary committee on health to which both senators and members of this house belong and at which we have had some very interesting lectures, including one a short while ago on the very important question of poliomyelitis.

I think it is true to say, Mr. Chairman, that parliament generally has been conscious throughout this session of the importance of the work of this department. I believe in fact that the department of health and welfare includes amongst its many divisions one division which is one of the oldest functions of government. I refer to the division which deals with food and drugs. In other words, it was recognized quite early in the history of this country that one of the jobs that had to be done by the federal government was that of taking protective or preventive measures for the health of the Canadian people. We have gone a long way since those early days when the extent of the responsibility for health was confined to that negative or preventive field covered by the protection of food and drugs. We have come to recognize that with an economy such as ours, and with the growing extent to which our society is one in which we are members one of another, it is our responsibility to provide for the health and well-being of the members of the community to the very limit of our capacity.

I welcome, as do all hon. members of this group, and as do all hon. members of the house, the progress we have made in that direction even though we might spend most of the time when we talk of these matters emphasizing the distance we have yet to travel. But welcome though we may the progress that has been made in the past, we feel that there is not really time enough to sit around rejoicing in that progress when there is so much yet to be done.

Having said a few things about the department in perhaps a little more complimentary

vein than that in which I am usually known to indulge, as the minister will confirm, I might add that we feel a great deal of good has been accomplished in the field of health and welfare, particularly since health and welfare was set up as a department by itself. It took a few years after the original organization of this new department for it to get into its stride, and such moves as it has made were made we think in response to pressures put upon the government from this house and in response to the pressure of public opinion.

Perhaps the most significant forward step in the field of health taken by the department is that which was taken in May, 1948, when the health grants program was launched. I will not allow the minister to forget that the prime minister of that day declared on that occasion that the health grants program was to be the basis for a nation-wide program of health insurance. I hope the day is not too far off when there will be built the superstructure for which that foundation was laid. Under that health grants program a great deal of assistance has been given in the construction of hospitals. Let us give credit to all those to whom it is due in that connection. Let us give credit to the federal government for the appropriation of federal public money for this purpose. But let us give credit also to provincial governments and to all others who have contributed toward increasing the number of hospital beds in this country.

In addition to the building of hospitals that has been done under the health grants program, there were other grants—there are a good many of them now—such as the crippled children's grant, the grant for the combating of cancer, the grant with respect to mental diseases and so on. We think too of the tremendous amount of research that is being done under the various grants. Some of it is done directly by the department and some of it involves money being made available to institutes or to organizations able to carry on research in the fields of cancer, poliomyelitis, multiple sclerosis or others of these diseases which, even to our medical people, are still a mystery and the solution to which would mean so much to the health of our people. We welcome the work that is being done under the health grants program; but, as I said a moment ago, Mr. Chairman, I hope the minister will not think that I am going to stop there. I shall continue to remind him of what Mr. Mackenzie King said, namely that one of the reasons for initiating this health grants program was so as to lay the foundation for a nation-wide program of health insurance.

**Mr. Martin:** I thank the hon. member for those kind words.

[Mr. Knowles.]

**Mr. Gillis:** Be careful; do not lead with your chin.

**Mr. Knowles:** I hope the minister will express that appreciation in a practical way by fighting still harder within the cabinet of which he is a member for the right to introduce at an early date a nation-wide health insurance program.

I also want to say, Mr. Chairman, that one of the other forward steps that was taken by this department during the last few years was that which was taken when the means test was removed from the old age pension at least at age 70 and when we got started on a new concept of old age security as a right belonging to the people of this country rather than as a matter of charity. I am not going to take the time to repeat the speeches I have made on that question times without number in this chamber. I just want to add to my appreciation of what was done by saying that we want that principle, the principle that social security is a right, to be extended still further. As I indicated when I moved an amendment to the motion to go into ways and means on May 31, we believe that the amount of the old age pension should now be increased to not less than $60 a month, and we feel that the means test should be removed at age 65. We indicated also, with respect to that other forward step, namely the disability pension, that it too should be raised to the figure of $60 a month.

In connection with the progress that we made a few years ago with regard to our old age security legislation, and recalling the work of our committee which recommended the abolition of the means test, may I take a moment to refer in passing to a couple of items that I noticed in the press a short while ago. I may be getting off base a bit but it is late in the session, so why not? I must say, Mr. Chairman, that I shall never forget the real assistance that we had in our committee on old age security from one of the present minister's deputies. I refer to the deputy minister of welfare, Dr. George F. Davidson. The Minister of National Health and Welfare is very ably assisted by two deputy ministers, namely Dr. George F. Davidson as deputy minister of welfare and Dr. G. D. W. Cameron as deputy minister of health.

**Mr. Martin:** Hear, hear.

**Mr. Knowles:** I knew the minister would agree with me.

**Mr. Gillis:** The hon. member may be accused of looking for a seat in the Senate; he had better be careful.

**Mr. Knowles:** Not I. It is only proof of the importance of the work of this department that it has to have two deputy ministers. What I saw in the paper which disturbed me a bit was a rumour that we might lose Dr. Davidson from the Department of National Health and Welfare. There is no doubt that he could do a good job in the position to which it was rumoured he might move, but I must say I would be sorry if we lost him from this important Department of National Health and Welfare. However, if the Minister of National Health and Welfare is not able to hold Dr. Davidson against the inducements or blandishments that may be offered to him by one of his colleagues, I was also interested in noting in the press the rumour—one of those informed guesses, as it were—that if that happened the Prime Minister might then have the opportunity to appoint the first woman to become a deputy minister under this government. I am glad that she is within the sound of my voice and knows that if that happens it would have my approval. From the applause of other members I gather that the appointment of Miss Olive Waters as deputy minister of welfare would be approved generally in the House of Commons.

**Mr. Macdonnell:** Are there any other appointments?

**Mr. Knowles:** Not today. Perhaps that is enough along that line, Mr. Chairman. The Minister of National Health and Welfare may wonder whether I am not feeling well, having got this far in my speech without having something critical to say. I now come to that point. I have already indicated that we feel that greater effort should be made by the Minister of National Health and Welfare to persuade his colleagues that the time has come for increasing the amounts paid under various social security acts. I refer to old age pensions, blindness pensions and disability allowances. However, Mr. Chairman, the gap in our social security program which is the most serious of all—the one which I regret has not yet been filled—is that of national health insurance. As I have said already, Mr. King made it clear in May, 1948, that that was the purpose of the health grants program, namely to lay a foundation for nation-wide health insurance. Someone may say: That was only six years ago; what is your hurry? The minister knows that I must remind him again that national health insurance was first put into the Liberal platform in 1919. That was 35 years ago.

**Mr. McIvor:** And it is still there.

**Mr. Knowles:** The hon. member for Fort William says that it is still there. I suggest to the hon. member for Fort William and to members generally on the other side of the chamber that the time has come to take that plank out of the Liberal platform and put it on the statute books of Canada. Thirty-five years is a long time ago, Mr. Chairman. I can remember back that far but I cannot remember much farther back.

I submit that the time has come for definite action on this question. As a matter of fact, a new generation of Canadians—indeed a new generation of Liberals—has grown up which is now getting interested in this question. I hold in my hand a clipping from the Montreal *Gazette* of Monday, May 31, 1954. The heading is "National Insurance Advocated". The first paragraph reads as follows:

> Ottawa, May 30—CP—Canada's young Liberals Saturday urged the government to implement a national contributory health insurance plan in co-operation with the provinces.

**Mr. McIvor:** Hear, hear.

**Mr. Knowles:** The hon. member for Fort William, one of the young Liberals over there, says "hear, hear". I am glad to know that there is still support in the Liberal ranks for this plank of national health insurance. The hon. member for Lanark says he is going to ask one question of the Minister of National Health and Welfare when we get down to that item. I ask him the same question. What are you doing about this? When are we going to get national health insurance? Surely the minister and the government generally are not going to argue that they have got to wait any longer to ascertain public opinion in connection with this matter. Surely they must know that people all over Canada today are conscious of the heavy costs of medical expenses. They are conscious of how these expenses bear down on them when they have to be met. They are conscious of the fact that a great many people do not have the medical or hospital care which they should have because of the heavy cost.

The Minister of National Health and Welfare has had some part to play in having sickness surveys made, and I have been interested in some of the facts that have been brought out by these surveys. For example, I hold in my hand a portion of the dominion bureau of statistics daily bulletin for September 21, 1953, which shows several breakdowns of a sickness survey, the results of which had been announced at that time, and this one interested me in particular. Out of 1,322,000 family units with incomes less than $1,500 nearly one-fifth, 19·8 per cent, spent nothing on health care compared with 7·7 per cent of 1,864,000 with incomes of $1,500 to $2,299, 4·3 per cent of 833,000 with

incomes of $3,000 to $4,999 and 3 per cent of 271,000 with incomes of $5,000 or more.

May I pick out two figures there to make a comparison which drives home the point I have in mind. The point is that of those family units whose incomes are $1,500 a year or less nearly 20 per cent have spent nothing in the whole year on health care, but when you take those with $5,000 a year or more there are only 3 per cent who spent nothing on health care.

**Mr. McIvor:** May I ask the hon. member a question? Does he not think that the young Liberals showed good sense when they supported national health insurance in co-operation with the provinces instead of the dominion going it alone?

**Mr. Knowles:** As a matter of fact that was the gist of the amendment which my leader moved last November 16. It asked for a nation-wide health insurance program with provision for provincial participation. That appears to be what the young Liberals supported in their motion the other day, but the hon. member for Fort William voted against it when we moved it in the house last year.

**Mr. McIvor:** Want of confidence.

**Mr. Knowles:** There is the old dodge, want of confidence. We think that the health of the people is more important than the survival of any particular government. I was pointing out that of those family units whose income is $1,500 a year or less nearly 20 per cent spent nothing on health care whereas of those whose incomes were $5,000 a year or more only 3 per cent got through the year without spending anything on health care. We all know, Mr. Chairman, that it stands to reason that the people with low incomes are not going to be healthier than the people with higher incomes. The reverse is the case. What it means is simply this, that the people with low incomes cannot afford the health care that they so sorely need.

Surely it has been recognized by everyone, young Liberals and old and Canadians generally, that the only solution to the heavy cost of adequate medical care is to put it on an over-all or universal basis. We have had that brought out in other ways during the course of this session. I am not going to revive the debate we had a few days ago on a form of life insurance when the Minister of Finance and his parliamentary assistant both drove home the point, and did it very well, that the only way you could make sure that an entire group would have a certain amount of insurance protection was to put it on an over-all or universal basis. They both said that that was the only way to make sure they would all have it. They said it was the only way to make sure that the cost of it would be kept down. That principle applies to health insurance for the nation as it applies to life insurance for a limited group of people.

I do not feel it is necessary to argue the principle of this matter. What we seem to have to argue for is to get action out of the present government. The only reason I can see for the government holding back is that the government might have the false notion that the people of Canada do not want national health insurance. I am convinced that they do. As the minister will recall, during the course of this session he and I were privileged, along with one or two others, to participate in what I thought was a very interesting "Citizens' Forum" discussion which was carried by the Canadian Broadcasting Corporation.

In terms of "Citizens' Forum" discussions it was one of the most interesting in which I had ever participated. We did not do much preparation in advance. We were not too sure before we started what line each of the participants was going to take. The Minister of National Health and Welfare surprised me a bit. I found he was pretty well on my side, that the two of us were arguing for some form of nation-wide health insurance as opposed to a differing point of view which suggested that it should be done on a voluntary basis. The minister can correct me if I am wrong, but I think it is fair to say that he took the position that, some advantages though there might be in voluntary plans, they could not possibly cover the entire nation, could not possibly cover all the people of this country, and that sooner or later we had to get some form of nation-wide health insurance with government participation, including both the federal government and the provinces.

I am not going to bore the house with what the minister and I had to say on that occasion, but I was more than interested in a broadcast which was given in the "Citizens' Forum" series on Thursday, April 1, 1954, during which C.B.C. speakers summed up the reaction of the forum groups across the country to a number of "Citizens' Forum" discussions that were conducted during the course of the 1953-54 season. I found that the "Citizens' Forum" groups provided some very interesting information for the C.B.C. people when it came time to report on the discussions. For example, I find this, which was said, as I say, over the C.B.C. on April 1 of this year:

Saskatchewan is the only province where a majority of the groups feels that present services

in their community are fairly adequate. Everywhere else—even in large cities like Montreal—there would appear to be a good deal of dissatisfaction and concern. Listeners don't criticize the existing medical and hospital plans, as such. Indeed, some point out that they are rendering excellent service. But they don't believe that they provide for the people who really need protection most. The costs make them quite out of reach for poorer families—they argue—and they're uncomfortably high too for many in the middle income group—who have always had the worst of the medical deal —according to some maritime listeners.

That is just a sampling or a collection of opinions from across the country, indicating that the people who listened to our broadcast generally felt that the services we have now got are not sufficient and that the main problem is cost. Then I come to this interesting paragraph:

Under these circumstances it was interesting to see the reaction of the B.C. forums to the topic "What Health Plan for Canadians", and especially to the question of government participation in such a scheme. Surprisingly enough, every one of the forums—

The reference is to the British Columbia forums.

—favoured a compulsory national plan to cover every Canadian. The only disagreement was over the best method of collection of the necessary fees. While 60 per cent favoured the use of premiums, 20 per cent wanted the costs to come from general taxation. But the point that snagged all of the discussions was that though all Canadians are in need of medical care, not all are equally able to pay. Any health plan must cover this latter part of the population, but without imposing higher expenses on the rest of the people. We are all looking forward to the day when a government can solve that one.

My reason for reading these one or two excerpts from this summary that was given over the C.B.C. is that I think it gives, as nearly as one can obtain it, a report of what ordinary Canadians are thinking about this question of health insurance. I believe these excerpts which I have read represent pretty well what the average Canadian is thinking. He thinks the health services we have got are fine as far as they go. Many Canadians feel great debts of gratitude to doctors who have ministered to them and have saved their lives. Many Canadians are grateful for such hospital services as we have in this country. But Canadians generally are also very much aware of the heavy costs of medical care and how unfairly those costs impinge upon those in the lower and middle income brackets. You find, therefore, an increasing number of Canadians with the very strong feeling that the only possible solution to this matter is a nation-wide program of health insurance.

I listened with interest to the remarks of the hon. member for Lanark on this question. Earlier in my remarks today I read the amendment of my leader, moved on November 16, and I still find it difficult to know why he and his colleagues voted against these words:

We further represent that this house regrets that Your Excellency's advisers have failed to recommend legislation establishing a nation-wide health insurance program, with provision for provincial participation.

Quite a few social security measures as well as other measures, Mr. Chairman, have got started in this country precisely on that basis, on the basis of federal legislation making possible provincial participation as and when the provinces wished to come into such a plan. It was that way we got old age pensions in the first place. Not all the provinces came into the plan at the start. I believe it was more than a decade before all the provinces were in the original old age pension plan. Without bothering to produce other instances in the interim, I point out that only a week or two ago we passed another social security measure on that same basis. I refer to the bill providing for allowances for disabled persons. It is a federal measure with provision for provincial participation, and it will come into effect only in those provinces that are prepared to join in it and to pay their share of the costs. At least in respect of that measure we have reached a point where Canadians in other provinces are not going to be told they have to wait longer because all the provinces are not ready.

Why can we not apply that same principle, that same *modus operandi*, to this question of health insurance? If there are, as I believe, a number of provinces whose people would like to see a health insurance program started, let us have exactly what we asked for in that subamendment, despite the fact the Liberals and Conservatives in this house voted against the proposal that there be federal legislation setting up a nation-wide health insurance program with provision for the provinces to participate in it, and to administer it, when the provinces are ready to do so.

The minister and members generally know of my own keen interest in social security matters. They know that I never miss an opportunity to advocate higher old age pensions and other forms of social security involving the placing of actual dollars in the hands of those who need them. I am not announcing anything when I indicate I shall continue to advocate increases in those other social security measures. But, Mr. Chairman, I want to say that, in my view, when we are dealing with health insurance we are

dealing with the most important item in an over-all social security program. It is the most serious gap in our program at the moment. It is the matter about which something must be done.

I urge upon the minister, as strongly as I can, that he carry on his fight. I believe he is fighting for it inside the cabinet—goodness, that must be an awful place to fight—and I urge him to carry on the fight for this most important improvement. Surely, with all of the capacity that we have for producing wealth, with all of the capacity we have for arranging our economy so as to meet the needs of defence or some of the needs of peace as they come along, it does not make sense that we have not found a way to devote an appropriate portion of our national wealth to the provision of the best possible health care for all our people.

Let us not have any quibbling about the cost of it. As the hon. member for Mackenzie said this morning when we were talking about burnt-out pensions, if a request came along, even before the end of this session, for another $100 million or $200 million or even more for NATO, the government would consider it very seriously. I would not be surprised if they asked for it before the end of this session. Why quibble over a corresponding amount that could be devoted to such an important question as this? It is not a case of giving our people something for nothing. All the wealth of this country, all the money this government or any other government has to spend has been created by our people through their work and their toil. They deserve, because of their work and toil and because of the wealth they produce, immediate action to make sure that a proper portion of that wealth will be devoted to this most important cause, the care of our health. I insist that the time has come for action by this government on the question of a nation-wide health insurance program.

**Mr. Shaw:** My remarks, Mr. Chairman, should not occupy the house for more than a few minutes this afternoon. After all, thus far during the session, we have had an opportunity of discussing a number of matters which would properly fall within the scope of this department. Moreover, with respect to the question of health insurance, we did have an extended debate during the month of November. However, I do intend to make a passing reference to that in a moment.

Previous speakers have indicated their belief in the importance of the Department of National Health and Welfare. We concur in those observations. We have said upon more than one occasion in this house that it is our belief that the health of the people is the nation's greatest asset. We are convinced that without good health all else would be of little avail. We are convinced also, and are not overlooking this fact in any way, that vast strides have been made in this field of health and welfare in Canada. When I was speaking in this house on November 26 last, I emphasized that belief of ours.

After all, when one stops to consider what is being done by the federal government in national health and welfare, by the provincial governments of the ten provinces, by the municipalities, by the voluntary health organizations, by the doctors, the nurses and those administering the hospitals, one cannot help realizing that the picture is a vastly improved one as compared with that of not very many years ago. And in speaking of the federal government, the provinces, and the like, I should have pointed out that it is not only a question of their working individually and independently to a certain degree, but of all of them working co-operatively to accomplish this most desirable result.

Having said that, however, I must hasten to add that there are some things which do not concern us very greatly. The hon. member for Lanark referred to the importance of research, and in doing so made mention of the infant mortality rate within this nation. I am not certain of the figures to which I shall refer. It may be that I am quite wrong, but I read recently that among the nations of the world we rank thirteenth, so far as infant mortality is concerned. In other words there are 12 nations with lower infant mortality rates than we have.

That staggers me. After all, when one stops to consider the very nature of this nation, the high standard of living we enjoy within the nation, our expanded facilities for health services, and the like, he cannot help asking himself why we should be thirteenth. I would ask the minister to deal with that matter during the consideration of these estimates. I am confident that others have been staggered by that information.

The hon. member for Lanark referred to another point to which I shall now turn. Anyone who will pick up a newspaper will observe the number of persons in middle life who, to use a common expression, just drop dead from heart condition. I wonder what research has been conducted in that field. Only a day or two ago I picked up a local newspaper and, on various pages of that newspaper, I found deaths recorded. I knew none of these people. One young man was 41 years old, another was 43 and a third was 47. Upon reading reports of these deaths

it became clear that these three at least—and there may have been others in the same issue of the newspaper—simply died suddenly as a consequence of heart disease. I would ask the minister to indicate to us just to what extent that particular aspect of our national health problem is being attacked, right at its roots.

I have certain ideas, myself. I am sure the minister had, too, when he engaged in his particular program of weight reduction. I have tried to follow the lead and with very happy results. However, I do hope the minister will comment upon that aspect of the whole problem.

I am not going to make reference to many other subjects, apart from that of health insurance, because I do know there will be opportunity to deal with most of them under the individual items. Each time I hear health insurance discussed I become just a bit more confused. I ask myself this question: Is it health insurance, or is it sickness insurance that the hon. member for Winnipeg North Centre is actually talking about? I have been compelled to come to the conclusion that he is talking about sickness insurance, provision for people who become ill, rather than health insurance.

The most important problem facing us in Canada is not the sickness aspect, important as it may be: it is the cause of illness, the prevention of illness, which in my view is of prime concern. That is why, whenever we have talked of any health program in Canada, those of us in this group have laid emphasis upon the preventive aspect, that of teaching the people how to live so that they may not become ill. Because, after all, when people become ill the problem has been created and the damage has been done.

Let us not concentrate our attention upon sickness insurance, but rather upon a broadened health program which shall have as one of its prime purposes that of keeping people well. I agree with the hon. member for Lanark that we do not want what I believe both he and I call state medicine. I realize that state medicine will offer certain things. For example, I would not want the British program as it stands today. While there are aspects of it that are good, I see serious weaknesses in the British scheme. And certainly I think some of its weakness has resulted from the fact that the state has gone altogether too far into that field.

We realize fully that at least for people in certain parts of the country hospital costs are extremely high. One thing that bears down upon my mind when I am here in Ottawa is the knowledge that if I become ill I shall have to pay a very heavy cost for the privilege of occupying a bed in one of the hospitals. That is not such a heavy burden when I am at home because I can have that accommodation for a dollar a day.

I mention that for this reason. It occurs to me that costs to individuals who occupy hospital beds could be reduced by methods other than that of putting into effect an over-all sickness insurance scheme. I feel that grants payable to hospitals—grants which, after all, come out of the contributions of all the people of Canada—should be used toward reducing the cost of hospitalization to those requiring it. That scheme prevails in certain parts of Canada, without premium charges being imposed upon individuals as such. And when I talk about premium charges I would say to the hon. member for Winnipeg North Centre I am a bit confused as to whether he does actually advocate a contributory scheme or whether he advocates a scheme which would be financed out of the general revenue of Canada.

Today in connection with health insurance he quoted with approval certain statements, and throughout those statements I noticed the word "contributory" was rather heavily underlined. Yet I reminded him that last November 26, in introducing their amendment, they said, "We believe the plan should be financed out of the federal treasury"—or "out of the general revenue of Canada". I believe that was the actual expression used.

**Mr. Knowles:** All of which comes from the contributions of the Canadian people.

**Mr. Shaw:** Yes, that is true; but let us not forget that there is a fundamental difference between financing out of the general revenue, the consolidated revenue fund, and imposing a premium levied upon individual Canadians, earmarking those premiums and then paying them out for services rendered. In the discussion of this whole matter let us not forget that there are certain group insurance plans in operation in Canada. All of these apply to groups, but there are certain others such as Blue Cross. If consideration is to be given to this problem, then consideration might be given to this question of subsidizing certain of the schemes in order that the cost may be brought down to where it can be handled by the rank and file of the people of our country.

This might be of interest to hon. members. I recall that at least thirty years ago in the town in which I resided a voluntary organization of citizens came into being. The doctors worked closely in connection with this voluntary organization. Each family paid $25 into the scheme and each family

was entitled to all medical services, apart from the treatment of venereal disease. I think that was the only exclusion. Today, after more than thirty years, that scheme is still in operation although—and I am speaking from memory now—I believe the charge per family is now $35. It is wholly voluntary. The family comes in under the scheme of its own free will. If it does not, it pays normal prevailing charges. Naturally, they have to pay before a certain day each year. The doctors voluntarily came into the scheme; there was no pressure in any way whatsoever. In fact the doctors had a good deal to do with initiating the scheme. There is nothing to prevent the doctors from taking cases outside the scheme. It is still in operation, and I think operating satisfactorily. In fact, speaking from memory once again, I believe there are two such organizations within that community, a town of about 2,500 people. It also takes in the surrounding community. I have often wondered—

**Mr. Martin:** That is Stettler?

**Mr. Shaw:** No, Cardston, Alberta. There may be others in Alberta. The hon. member for Acadia says something similar is operating in Drumheller. It occurs to me that probably there is a field that the medical profession should explore. Perhaps they have already done so, but to me it offers much; it guarantees freedom to patients and to the doctor. The hon. member for Lanark, as a representative of the medical profession, indicated that he wanted those things preserved, and certainly I do, too.

Certainly I think the medical profession of this country realize that they are under pressure. I think a good many of them do realize that this pressure is bearing in from all sides, and just when the Minister of National Health and Welfare or his government may weaken, I do not know—weaken in the sense that they may be prevailed upon to go a whole lot farther than they should go into this field of national health insurance.

I say to the medical men, much is going to depend upon you. I commend the type of scheme to which I referred. There may be others which are even better, but let me repeat what I said earlier. We feel that medical and hospital costs could, generally speaking, be brought within the Canadian people's ability to pay, without the regimentation of those Canadian people, without setting up another broad comprehensive administrative organization, costly as they all prove to be sooner or later. Let me say this to the minister. I trust that he as Minister of National Health and Welfare will never be guilty of simply foisting a scheme upon this house and say, take it or leave it. I trust that, if this health insurance study program advances to the point where the minister and the government may think "Well, now, it is time to do something", they will follow the same course of procedure that was followed in consideration of old age pensions, and that a committee of this house or a joint committee of both houses will be set up and be permitted to make a comprehensive study, and call in witnesses.

I am not too impressed by what the hon. member for Winnipeg North Centre said about the views of these forums. I should like to know the membership of these forums. I should like to know where they are located, not only provincially, but where within the provinces. I cannot put too much value on that report until I know more about it. But I do know this. If a joint committee is set up—and I have served on a number of those joint committees—all interested national organizations are allowed to appear and make their representations on behalf of the people of this country. If that is done we shall find out pretty definitely what it is that the people of this country desire.

I know that a petition was circulated in the country not very many years ago. I saw a pile about two feet high on one of the desks of this house; but, Mr. Chairman, that did not impress me, because I for one was never told just exactly what the individual who signed was told or asked. Not only that: it is very easy for one to say, Yes, I want health insurance. But it is quite a different thing when it comes to discussing health insurance or a health program with him and finding out just what particular program he wants.

I stated last November, when we contemplated voting for the C.C.F. subamendment, that we did not want it thought for one moment that we were accepting any specific program that they or anybody else might come up with. We wanted a broadening of health services across the country. I think all hon. members desire to see something like that, but it certainly did not commit us to any specific program.

I should like to see someone in this house, who really wants health insurance, get up some time and give a fairly comprehensive outline of that which he wants us to accept, because the term "health insurance" can mean just about all things to all men, and I should like to know a little bit more about the details of any proposals.

We have said—and I shall repeat it quickly—we believe firmly in the maintenance of individual responsibility, self-help, as it were. I know that the people of this country desire to help themselves. They want to retain that. Certainly, we want to retain

the freedom of the doctors and the nurses and the hospitals, and the administrators of the hospitals in the sense that they are elected representatives of the community.

I have laid emphasis before on preventive medicine. In spite of all that has been done, we have slipped back as far as preventive medicine is concerned. I am not depreciating for one moment what the minister's department has done in this field; I am not depreciating for one moment what the provincial departments have done. But I still say that we are lagging behind as far as preventive medicine is concerned, with the result that all across the country people are talking health insurance when they mean sickness insurance. Well, let us attack this thing at its root; let us concentrate more and more on keeping people well.

I am going to say something in a moment about voluntary organizations, and it will be in connection with that. I have said that no matter what program is brought in, whatever services are extended to the people of this country, such can be financed by the federal government, the provincial governments and the municipalities. Decentralize administration as far as it is possible to do it. Let us have administration on the lowest possible level. Precedents have already been established in this field. Health grants are paid to the provinces for hospital construction. I believe the province matches that dollar for dollar, and the two put together will not build the hospital, and therefore the municipality—if it happens to be a municipal hospital—or whatever the local supporting body may be, will put up the remainder. That hospital is administered at a local level under the provisions of the provincial act. I have always felt and still feel that we should keep the administration there as close to the people as we possibly can if for no other reason than that when things do not go as they should the administrators will be close enough to be kicked where they will feel it most.

I said a moment ago that I trust we will not come into this parliament some session and have some scheme of health insurance suddenly slammed before us. I think the minister followed the proper course in consideration of the old age pension and, for example, in consideration of the veterans charter. This is another field in which that procedure should be followed.

From time to time in this house the minister has paid tribute to voluntary health organizations in this country, but I would point out, Mr. Chairman, that the minister's actions are certainly not a true reflection of his statement in this respect. Indeed, I do not have to go beyond the item provided in these estimates for the voluntary health organizations in this country. One would have to be blind to fail to see the important work that has been done and is still being done by these organizations in this country. But instead of the government creating the impression that they are finding less value in the work of these organizations as time goes on they should, in my opinion, convey to us their belief that these organizations can play an even more important part in the future. Some of these organizations are getting less in grants than they got years ago and some of them operate from year to year with what is nothing more than a paltry sum.

The minister must know that there are more people to be served by these organizations and he must know that their costs, including even postage, have gone up. He must know they are obliged to pay sales tax on many of the things they use to carry out these services. What the minister is indicating is that they should do as much today with their present revenues as they did years ago. That, of course, is fantastic. It seems that the minister has lost part if not all of his appreciation of our voluntary health organizations. Perhaps there is some other explanation but I for one simply cannot understand the present attitude.

The minister, with all the additional burdens which have been placed upon his shoulders, including civil defence covering an amount of $6 million in the estimates, should be tickled to death to see the voluntary organizations taking over more and more of the work in the field of health and welfare which they are perfectly competent to do. I do not think they are looking for any glory. But if there is any glory then the minister can share it.

I think I have given a fair expression to my views on this matter but when we come to deal with these items the minister should anticipate that I am going to put some rather searching questions to him. I said at the commencement of my remarks that while I may criticize I can also pay tribute. Vast strides have been made in this country in the field of health and welfare and I say that with conviction. I will give the minister all the credit in the world for the accomplishments which have been brought about. I think his heart is in the right place but we will still hope that he will not allow any group or body in this country to push him or his department into what I call state medicine.

**Mr. McIvor:** Mr. Chairman, I have just a question or two to ask the minister. We

have all heard about the prevalence of cancer, heart disease, infant mortality and tuberculosis, but we have heard nothing about the causes. I know it is not popular to state what the causes are but I will give my own explanation. Today we spend $868 million on liquor. I know a person can take a drink without hurting anyone. We also spend $465 million on tobacco. A person can take a smoke and not hurt anyone. But we know that many of these illnesses come from hangovers. Lots of people in Canada do not touch drink, but there are many who do and there are lots of these hangovers which hang, as I have found from experience in dealing with many of these people. I say that the $868 million spent on liquor is the cause of mental illness and t.b. and it certainly is the cause of a lot of heart-burning.

My friend the former member for St. Boniface, Dr. Howden, now Senator Howden, told me "Put this in your pipe and smoke it. There are a lot of people who will suddenly drop dead because they are heavy smokers." He said that one of the greatest causes of heart trouble was the use of tobacco. I congratulate the minister on having organized some research along these lines. We are spending $1,333 million on something which does not do anyone any good and we could have health insurance for that amount of money. But my question is, can the minister give us the outstanding causes of cancer, t.b., heart trouble, and infant mortality?

**Mr. Gillis:** Mr. Chairman, I am sure that if the minister could answer the questions posed by the hon. member for Fort William he would not be sitting here but in a laboratory somewhere drawing a lot of money. However, the figures the hon. member gave in regard to expenditure on liquor and tobacco perhaps add up to the principle enunciated by the hon. member for Red Deer, that this is a matter of individual choice. You can drink or smoke yourself to death if you so desire.

**An hon. Member:** Why not?

**Mr. Gillis:** It is a question of individual freedom and of course we might as well smoke here as in the hereafter.

**Mr. Pickersgill:** We may do both.

**Mr. Gillis:** It is rather unfortunate that a debate such as this, which means so much to the people of Canada, should take place in the dying days of the session when so many things which are not so important to our people are dragged along from day to day resulting in a great waste of time.

At the outset I want to say that when the hon. member for Lanark was talking and I asked him to define "state medicine", I was not being offensive. He is one member in the House of Commons whose opinion I value highly on any subject pertaining to the health and welfare department. But I have heard that term thrown around rather loosely not only in connection with health insurance but in connection with many other matters. Any time that the suggestion is made that the government should be interested in any particular matter, someone starts to say, "Oh, that is socialism". I think that propaganda about "state medicine" emanated largely from the American Medical Association, but nobody ever defines it much. It is just a catchword that has been thrown around without anyone stopping to consider exactly what it means.

To my mind the situation in Canada today with regard to the health of our people and their ability to get any kind of health services, after at least 50 years of our present medical set-up, is such that it makes necessary some form of concerted action on the part of governments to try to sort out some kind of mechanics whereby it will be possible to bring to the people who need it the medical science that is now available. It has certainly been proven that neither the voluntary health organization nor the free, unrestricted system that many people like to claim is best has measured up to the requirements. There is a big gap there and that gap must be filled by someone. That someone must be the organization which has the facilities, the finances and the personnel with which properly to plan that over-all scheme. For my money, the only agency in Canada that is able to fill that gap is the federal government. We do not need to quibble about that matter; that fact has been fairly well proven.

As to the matter of money, although we used to quarrel about this question I do not think we should quarrel about it any longer. Before the last war a million dollars looked like a great deal of money, and money was a mysterious, elusive thing that was hard to get. But when that war broke out we did not have any difficulty in getting money. It is too bad we could not drive that principle home to Malenkov and all others who try to make war.

I was just looking at a return that was tabled in the House of Commons for the hon. member for York South on the cost of the last two wars. We spent $22,482,036,080. That figure does not take into consideration the interest, nor does it take into consideration the loss of life: 60,000 young Canadians in the first war and 45,000 in the last. That is just the actual money involved.

**Mr. Nicholson:** Dollars and cents.

**Mr. Gillis:** Yes, dollars and cents, without counting the interest. We now find ourselves in this position, in the kind of world in which we are living. If we are forced into that kind of thing again, we will not measure in terms of dollars and cents the services this country will render in that field.

I was looking over—and this is a good witness to call—the monthly letter of the Royal Bank of Canada. They are not particularly radical; they are not socialistic. This letter was put out in January. It was their contribution to national health week. I should like hon. members to remember this when we think in terms of government, the state and the nation. In the first paragraph of that news letter they had this to say:

> Conservation of life is foremost among material things in the minds of men. Benjamin Disraeli, one of history's most distinguished practitioners of political science, remarked: "the health of the people is the foundation upon which all their happiness and all their powers as a state depend."

Unless you have healthy people, you have not a healthy nation. When we are talking about this subject, let us remember that fact and put it in its proper perspective. In the final analysis, the most important subject that the House of Commons can consider—and let us divorce it from dollars and cents—is the health of the Canadian people. How good is that health?

This monthly letter of the Royal Bank gives us a few figures. I think they fairly well pinpoint the fact that the great majority of Canadians cannot afford any kind of health services. They give us some dominion bureau of statistics figures, and I am going to quote them:

> Out of an estimated 4½ million family units, there were 621,000 which spent nothing for medical, dental, hospital or any other sort of health care during that period, while 757,000 spent less than $20. Beyond that sum the figures were:
>
| | |
|---|---|
| between $20 and $49 | 938,000 |
| $50 and $99 | 994,000 |
| $100 and $199 | 839,000 |
| $200 and $499 | 343,000 |
| over $500 | 63,000 |

I think those figures reveal the fact that almost half of that group are getting no medical care whatsoever. As to the group in which from $200 to $499 was spent, I think those figures represent the average that should be spent by every Canadian family. No family which is not spending that amount of money on checking up on the teeth and proper examination—and this is where my friend's preventive medicine comes in—is spending what is necessary. That is the amount of money necessary to be spent in any family if you are going to call a doctor in for the ordinary ills of children from a year old up to about 15 years of age, when you must get their tonsils fixed up, their eyes looked after and their teeth properly cared for. If you are getting away with $200 to $400 a year, that is about normal. You are not spending what you should spend, but that is about the average that I think should be spent. Look at the terrific number of people who are spending under that amount and who are not able to spend anything.

I want to tell my hon. friend, for whom I have a great deal of respect—and he is a good friend of mine—that the only way to have preventive medicine is to have a system whereby the average family can call in a doctor when slight signs of some disability appear. It is too late for this to be done when there is a raging fever or when some disease has become fully developed. The only way in which to get preventive medicine is to make medicine and doctors available to people for proper examinations before real trouble develops.

With respect to the ability of the provinces to handle the problem, it has been the policy for some considerable time to let them look after it. But the provinces are not able to take care of the problem, and I think that has been very clearly demonstrated in the national health grants. I have in my hand the answers to two questions asked by the hon. member for York South, which answers were given on January 25, 1954. He asked two questions which make clear the ability of the provinces to look after health services even with the grants made at the present time. These were the questions:

> 1. What is the amount that was available for each province for each year since 1948 under the federal health grant program?
> 2. What is the amount that was actually paid to each province for each year since 1948 under that program?

The figures are given for all the provinces but I am not going to take the time to put them on the record. Over the period from 1948 to 1953 the total amount of money advanced to the provinces under the health grants was $93,981,553. What amount of money was available? The amount available to the provinces during that period was $167,407,851. Over $167 million was available under these matching grants and the provinces only took something over $93 million. They are not able to match the grants dollar for dollar as is mandatory.

**Mr. Martin:** This is a very interesting speech the hon. member is making, but there are only three matching grants. The others are non-matching.

**Mr. Gillis:** I am talking about matching grants.

**Mr. Martin:** Of all the grants there are only three that are matching. The others are all outright.

**Mr. Gillis:** That is right. But these figures clearly show that the federal government during that period had some $167 million which was available to the provinces under the matching grant scheme but all the provinces were able to take was something over $93 million of the amount that was available. That points up the fact very clearly that the provinces do not have the resources to co-operate with the federal government in building up a program across the country. I also have the Ontario figures here because I thought that was one province that would have been able to take all the money available to it. However, it did not. From 1948 to 1953 the total amount of money Ontario received was $25,409,171, but the amount that was available to them was $52,298,392. That province was not able to take some $26,889,221 that was available to it by way of grants because they did not have sufficient revenue in their own province. You can see that a huge amount of money was available for health services from the federal government if the provinces had been able to take advantage of it.

**Mr. McIlraith:** Or chose to take it.

**Mr. Gillis:** That is right, either the one or the other. But in my opinion these figures definitely dispel the illusion that a solution can be found under any kind of scheme other than an over-all national health plan worked out in co-operation with the provinces, with the administration left to the provinces and the financing and direction left in the hands of the federal government, because they seem to be the only agency that has the money to do the job.

Voluntary organizations were perhaps all right at their inception, but the health problem has increased to such an extent that they are no longer able to do very much about it. I am not going to criticize any particular organization but I am going to give an example right in this city. I am going to take the case of the civil servants, most of whom live in Ottawa. They have the Blue Cross and civil service plans available to them, but after having insured themselves for hospitalization they find themselves in the position that they cannot get into a hospital. At the Civic Hospital there is a waiting list of from 1,500 to 1,700, and at the General Hospital there are another 1,500 to 1,600 applications. Bed space is not available.



These organizations are selling hospitalization insurance and they are not able to provide hospitalization. You will find many civil servants in this city who are paying for both the Blue Cross and the civil service health plans, but when there is illness in the home that requires hospitalization they are not able to get a bed in a hospital and therefore they have got to make a little hospital in a room at home. They call a doctor and they pay $3 for each visit he makes. They hire a nurse if it is necessary. They are not protected against the cost of such an illness at home even though they are paying under two hospitalization schemes.

If the patient is in a hospital the doctor's fee is paid while the patient is hospitalized, but if the organization that is selling the insurance cannot provide the hospital space they do not pay the doctor's fee for attendance on the patient in his own home. I say that these organizations are selling a commodity that they are not able to deliver. While there are many good people at the head of these organizations, and while their intentions are good, the problem of health so far as hospitalization and doctors are concerned has increased to such an extent that these organizations are not able to deliver the goods. In my judgment the only answer is an over-all health program.

With respect to the question of the name, I am not particular what you call anything if it provides the service, and I do not care much what somebody thinks about state medicine, nationalization and so on. I say that because the great majority of the people who use these terms loosely are merely repeating propaganda they have been subjected to over the years without taking very much time to think the matter through or to read authoritative works on the subject.

Let us take an example we have right in Canada. Let us take our veterans hospitals throughout the country. I am sure that no hon. member would say that these hospitals are state controlled and subject to dictatorship and regimentation. In every province of Canada the best hospitals are the veterans hospitals. No private hospital has the equipment you will find in the veterans hospitals, and in each one of these hospitals they have all the necessary services. They are built near university centres. They have the services of the university people and the best doctors in the Dominion of Canada who are found in the areas adjacent to these hospitals. That is paid for out of the consolidated revenue fund. On this question of contributory or non-contributory, I may say that is contributory. The taxpayers of Canada contribute towards it. We have a graduated

tax structure in Canada under which he who makes the most pays the most. It is as close as you can get to a taxation system for that purpose of helping to pay for these hospitals. These hospitals are working well. They are fully staffed, and their services are unlimited. Improvements are made from month to month as they come along and new equipment and new techniques are adopted.

In considering other institutions, I do not need to go outside of my own area. We have had a panel system operated on a co-operative basis for a good many years. In this instance, we are paying to keep well. We pay the doctor and the hospital approximately $130 a year between the two of them. We pay that when we are well, and when we are sick both the doctor and hospital are available to us for as long as we are sick. There is no limit to it. These institutions are certified, they are up to date and they meet the requirements. While that is so, the report on them for the past twenty years has been one increase after another in the rates. The services and equipment are deteriorating and the hospital is going further and further into debt all the time.

The hospitals in that area today are in the position where they are asking for either the provincial or federal government to help them to keep their doors open and maintain some kind of service. In the face of that, something has to be done. The only agency of which I am aware is this agency, the federal government.

Now, if anyone wants a definition of the kind of thing we have in mind by way of a national health service for this country, I may say that my conception of it is the sort of thing that has been done in our veterans hospitals. If we can do that for the veteran population, there is no reason why we cannot do it for the civilian population right across this country. I hope the time is not far distant when, instead of those inside this house or outside of it quarrelling about terms and about regimentation, we try to get our heads together and develop a system in this country whereby we can make the benefits of medical science available to all our people.

I recall that in 1944 I had the privilege of visiting France for a short time. I spent an evening at a big military hospital near Saint-Malo. There was a group of Canadian doctors there, and before we left there was one little fellow who sat down and said, "I should like to talk to you fellows before you go". He asked what progress we had made in Canada on this question of an over-all medical scheme and I said, "We are doing a lot of talking about it, but we have not done very much about the actual mechanics of it". He said, "I hope you will". "You know," he said, "before I came into the army I was practising medicine in a city in Canada and I specialized in abdominal surgery. I had a little office to myself. I was not on the hospital board, so I could not work in a hospital. I had two miracle bottles, one on this shelf and one on the other shelf, and when people came in to see me, I knew a lot of them needed surgery. I could not afford to give it to them, and they could not afford to buy it. When the war broke out my qualifications were checked, they sent for me and I went down to Ottawa. I put on a uniform and they made me a lieutenant colonel. I came over to England, went into a hospital and found myself with nurses at my disposal. I found myself with laboratories, technicians and all kinds of equipment of which I had dreamed. My wife was receiving an adequate allowance and I was receiving a salary cheque. I no longer had any economic problem, and I began to think in terms of a doctor. I was really a doctor. I had heard a lot about the question of state medicine before I came into the army, and I was scared to death of it, but I am convinced this is it; this is the kind of thing about which the people were talking. I hope when the war is over you will not scrap all this wonderful equipment we have built up, so that when I leave the army I will have to go back to those two miracle bottles". That was his conception of it, and it is true. I say that merely for the purpose of trying to get this business of terms straightened out.

I do not think there is any quarrel amongst very many of us in this house about wanting to get something done. We will not get anything done as long as we continue throwing this kind of talk across the house to the minister, who I know wants this sort of thing done as badly as any of us. I believe the hon. member for Winnipeg North Centre was quite right when he said the minister has to fight the treasury board on this question. I do not believe money should be considered when we are considering health. I believe that medical science in Canada is available in abundance if we would only unharness it from the economic disability under which it now exists. I believe the federal government can do the job if some of the provinces would give up this wish to preside over a little domain they have.

I rose, Mr. Chairman, with the intention of saying something else, but in listening to the discussion I was led to make these remarks. The subject I wanted to discuss is one that I know the minister would rather leave until another time. However, it is

so quiet this afternoon, and everyone is in such a receptive mood, I feel it would not be a bad time to get it on the record and let other members think about it. I believe it would be very helpful to the minister. I have another thing in mind. On March 12 the Minister of Mines and Technical Surveys suggested to me that I might leave a certain discussion on his estimates until the item for the coal board was under consideration. I have been waiting since March 12 for a statement of policy on that subject. While I have all the faith in the world in the honesty and integrity of the minister, I still believe this is a very good time, in this quiet atmosphere, to get this subject off my chest.

I believe it is important because, like health insurance, the matter of civil defence is a controversial subject. It is mentioned in all the newspapers, and has been debated in the British House of Commons. I have read a lot of statements about it. The statement that impressed me the most was made by Sir Winston Churchill to his own House of Commons. He warned them not to fool themselves by scrapping everything they had built up by way of civil defence. He told them not to adopt an attitude that because this atomic bomb or hydrogen bomb is a desperate weapon we do not have to do anything about it except to sit around and commit mass suicide. I disagreed with the minister—

**The Deputy Chairman:** Order. I wonder if the hon. member would permit me to interrupt him at this time, not with the slightest intention of making a ruling. I understand quite well that we are considering the first item of the Department of National Health and Welfare. I was going to suggest to the hon. member that the subject of civil defence is such a wide and specialized one that if we held our discussion on item 288, which makes provision for more than $6 million, we would then have consecutive and concentrated debate on that one subject; whereas if the hon. member raises the subject now, while the next two or three speakers may not refer to it, it may be referred to again by others, and the debate would not be devoted solidly to that subject.

The hon. member is certainly within his right if he prefers to discuss the matter now, but I do feel that if we could hold this discussion to one particular time it could be carried out more satisfactorily.

**Mr. Gillis:** Mr. Chairman, I always try to accommodate the chairman and obey the rules of the house. I appreciate fully what you say. However, on the first item of the minister's estimates you will find there will be all kinds of discussion on all kinds of subjects.

**Mr. Martin:** May I make one observation, because I know my hon. friend is interested in this subject. I would have no reluctance whatever to having this item discussed under the general item, but I think in fairness I should say that the Minister of Citizenship and Immigration did say, when today's business was being discussed, that there would be agreement to discussion of the estimates of this department on the understanding that, because of the absence of certain hon. members, there would be no discussion of the specific item of civil defence at this time.

If my hon. friend were to proceed to speak on civil defence, then he would put me in a position where I would find it very difficult to make a statement of policy, or whatever reply should be made, in the absence of those hon. members. I just offer those observations for the consideration of my hon. friend who generally—not only generally but always—is co-operative.

**Mr. Gillis:** I appreciate the minister's position. It may be that the Minister of Citizenship and Immigration may have made an agreement with some hon. members who are absent from the house. Likely they will be back on Monday or Tuesday. But I have not made any commitments on that score. If the Minister of Citizenship and Immigration wants to blame me for it, I am quite prepared to take the blame. But let me say that any hon. member who wants to be away for a day or two has no right to expect me or other hon. members who are here to sit around the House of Commons waiting for him to come back to speak on any subject.

So long as my forty minutes last, I am going to discuss this subject now. I like always to bow to the will of the Chair, and I like to accommodate the minister. But this is a subject concerning which I have done considerable thinking. I might point out to the minister that I was invited to go back to my riding in connection with matters that were very important to me, but I did not go. And I did not go for the simple reason that I was expecting subjects in which I was interested to come up in the house. I had four invitations to be away—one to open a hospital, another to attend a mock parliament, which the hon. member for Nanaimo very kindly took in my place, and there were two other functions. But my place is here; and there is no other member in the House of Commons who can make an agreement for anyone else, or who can say that members who are here are not to be permitted to discuss certain subjects.

I am very sorry, Mr. Chairman, but this subject is one—the only one—in the minister's estimates that I wish to discuss. And as I am within my rights I am going to say a few words on it. And I want to say those few words for this reason, that this matter now is a controversial one—as to whether it should be under the Department of National Defence or under the Department of National Health and Welfare.

We will soon be discussing the estimates of the Minister of National Defence, and this subject will get a drilling there also.

I have thought out pretty carefully what I have to say on this subject, and because I have wanted to be careful I have made some notes. Civil defence is directed toward providing protection and security for our people in the event of war, just as the other social measures that come under the minister's department help to provide some measure of security and protection in time of peace. And on that point, as to whether it is the responsibility of the Department of National Health and Welfare or that of the Department of National Defence, in my judgment it belongs definitely within the Department of National Health and Welfare.

Civil defence is essentially a humanitarian activity, directed toward saving life, not taking life. For this reason it is a most appropriate responsibility for the department of the Minister of National Health and Welfare. And there is another consideration: civil defence is primarily a civilian activity. While it must be closely co-ordinated with military preparations, it is not properly a function of the armed forces.

National defence, in so far as military requirements are concerned, is a national concern and, as such, is a purely federal responsibility. But civil defence is the joint concern of federal, provincial and local authorities; and in the final analysis the main burden must rest upon the individual community, since for the most part civil defence is a matter of utilizing to the best effect a community's own services—police, fire, hospital, welfare and other facilities already in existence.

Because of the co-operative nature of civil defence, concerning as it does all three levels of government, it seems appropriate that this matter should come under a department of the federal government that, perhaps more than any other, has a record of successful co-operation with the provinces in so many areas of health and welfare activities.

Civil defence in Canada is now five years old. I do not think many Canadians would claim that we have as yet developed anywhere in this country civil defence organizations that could cope successfully with the full effects of modern warfare. But I do believe that most fair-minded persons would concede that very considerable progress has been made over the past few years. For this progress, the credit must go in large measure to the leadership provided at the federal level.

Members of the House of Commons had an opportunity to visit the new civil defence college at Arnprior a short time ago. I did not have the privilege of making that visit. On the morning I was supposed to go the committee on veterans affairs was to meet, and the chairman of the committee suggested that any members who had planned to take the trip should postpone it because important matters were being discussed by the veterans affairs committee. But my friend, the hon. member for Comox-Alberni, made the visit and took notes of it. Upon his return he briefed me very thoroughly; and I am sure that before this debate is concluded he will have something to say as to the facilities available there.

I understand those facilities will provide for the training of approximately 2,000 persons a year. It should be acknowledged however that these 2,000, in turn, are able to train many additional thousands in their home provinces and communities. I have made some inquiries and I find that in my own province of Nova Scotia 235 persons have been trained in civil defence, many of these at federal schools and at federal expense. Perhaps this is not a large number, but it provides a useful nucleus around which to build an organization.

Another field in which leadership is coming from Ottawa is in the matter of providing certain types of equipment for training purposes which I am told now exceeds $2 million. Many of the activities now being undertaken will have peacetime value. For example, the federal authorities have agreed to pay a share of the cost of standardizing hose couplings in any province wishing to go ahead with such a plan. I am told that in some provinces there are as many as 70 or 80 different sizes, shapes and threads of fire hydrants and fire hose couplings. Obviously, without standardization one community is helpless to answer a call of a neighbour who happens to have a hose of a different size. This program would be most advantageous for normal firefighting purposes, quite apart from its civil defence application.

I note in the estimates that the grants to the provinces have been increased from

$1,400,000 to $2 million. We welcome this substantial increase in federal aid available for civil defence. However, from the information I have I understand that only a small proportion of the money available was actually taken up last year. It is the same thing over again as the hospital and health grants. The provinces find themselves unable—

**Mr. McIlraith:** Or unwilling, which?

**Mr. Gillis:** —to take the money that is available because they just have not got the facilities to handle it. Perhaps the minister would be good enough to tell the committee what steps he proposes to take to encourage the provinces to make fuller use of this additional money for civil defence. I want to say to the minister I am not expecting an answer now. At any time it is convenient to him, before his estimates are disposed of, I shall be quite satisfied to get an answer to any question I am posing at this time.

Every hon. member will have been concerned over reports we have had in recent months on the destructive effects of the latest weapons devised by science. Many people are suggesting that the H-bomb and similar weapons make civil defence planning useless. The wider area of destruction that is now possible means that communities round and about the target area must be organized to come to the help of the stricken community. This means that in communities, large and small across Canada, civil defence activities should be stepped up rather than curtailed.

The senior governments are now giving good leadership, and it is up to the authorities in individual cities, towns and villages to take whatever steps are needed to bring their local plans and programs to more adequate levels. Naturally we do not agree with everything done by the federal government in this field or in any other; but it is only fair to commend the minister on the realistic way in which this problem has been tackled over the past three years.

Now, Mr. Chairman, whether I put these remarks on the record at this time, or whether I did it next week, my reason for doing so would have been the same. I was alarmed over the attitude taken in many communities in Britain, the attitude of abandoning civil defence altogether, and that there is no defence against the hydrogen bomb. Then, there is the growing feeling in at least some sections of the press that we are wasting money on civil defence and all that kind of thing. Well, I am not one who is convinced that we are going to live in peace for the rest of our natural lives. With the arms build-up that there is in the world today there is always the danger of someone getting trigger-happy.

As far as civil defence in Canada is concerned today, it is a matter of coming in to do rescue work. If Ottawa, Montreal or Toronto were hit, it would not be a matter of what is available in the city that counts, but what is available in the surrounding area and the availability of the equipment that will work in any section across Canada. The standardization of hose couplings is very important, and if we never have a war, the type of training that these men and women are getting today in the civil defence schools can be used in this country or in any other country for a good many years to come. Disaster can happen anywhere. The burning of the *Noronic* in Toronto harbour caused such casualties that it required a lot of trained assistance along those lines. Then there are mine explosions. We have had too many in Nova Scotia in the last three years, three of them to be exact, with a great loss of life. A condition of that kind requires the immediate help of those trained to assist in a disaster of that kind. Earthquakes are still not ruled out. Bad fires still break out in many communities, and the more people we could have trained in the field of civil defence work at the present time the better it would be for Canada. This should be done not only in anticipation of war; it is good training to be carried out at any time.

I am sorry I was not able to co-operate with you, Mr. Chairman, in making those remarks at this time, and I am certainly sorry I was not able to accommodate the minister. This is one subject in his estimates that I have done some thinking about, and I felt that at this time it was my right to put my thoughts on the record.

**Mr. Patterson:** Mr. Chairman, I do not wish to—

**Mr. Martin:** May I make a suggestion to my hon. friend? We have had a general discussion now, and the estimates of this department, as the committee knows, particularly those members who have been here for some years, are particularized. In view of the general discussion, would my hon. friend not find it convenient to discuss whatever he has in mind on the various items as we come to them? I think we would make more progress in that way. I make that suggestion to my hon. friend, if he would acquiesce.

**Mr. Hansell:** May I make a suggestion to the minister? The hon. member for Fraser Valley has other engagements today. It is Saturday, you know, and tomorrow is Sunday, and he would like to discuss something on this item. I do not think he will require any more time than just once.

**Mr. Patterson:** I appreciate the minister's attitude, and I assure him that the remarks I shall make are going to be brief. One of the matters is not referred to at all in the estimates and I believe there is a separate section dealing with the other. However, I want to say how much we do appreciate the legislation brought in dealing with matters of health and welfare in our nation. I was thinking just recently of the legislation in regard to the disability pensions. At the moment right across Canada there is a great deal of joy and satisfaction that that particular matter has been dealt with.

However, as I looked over the estimates I failed to find anything at all with respect to assistance to the Canadian Arthritis and Rheumatism Society. Some time ago I had quite a number of communications—

**Mr. Martin:** That is under health grants. We give quite substantial grants to them.

**Mr. Patterson:** I do not see it listed at all.

**Mr. Martin:** It is under health grants; it is almost $80,000.

**Mr. Patterson:** Is it listed as a separate item?

**Mr. Martin:** No; it is under the general grants. We make many of these. The hon. member will find it when we come to them.

**Mr. Patterson:** Some time ago I had a considerable number of communications with regard to the Canadian Arthritis and Rheumatism Society. Those who were suffering from those diseases and had received the benefits of the treatment from that particular organization urged me to give my support to any matters that came up in this particular respect, and to urge the department, the government and the minister to do all they possibly could to assist this worthy organization in carrying out their splendid work.

I am very happy that this item is included although I fail to see any reason for it under this particular heading. There is one other matter to which I wish to refer and to which reference has been made on a number of occasions. I would again urge upon the government and the minister the importance of giving further consideration to the matter of old age pensions.

In the Montreal *Gazette* of April 7, 1954, there was an article which presented very vividly the plight of many of those who are on old age pension. The article is headed, "Starved Woman's Case Shows Pensioners' Plight". I would like to read a few brief excerpts:

> Out of her $40 old age pension each month, $35 was taken to pay the rent.
>
> The remainder, five dollars, bought a month's "supply" of food.
>
> Her plight, by no means an isolated case, has focused attention on the struggle of unattached pensioners to subsist on their monthly allotment.

The article then goes on to quote Mr. G. B. Clarke, general secretary of the family welfare association, as follows:

> "There is no doubt about it, $40 per month is a Godsend to old people living with their families, or for those who have some additional income.
>
> "But in this day and age, it is impossible to live on $40 alone. I would say $60 would be the very minimum for a month."

Then further down in the article we have this brief statement:

> There are many old people on a bread and tea diet in this city.
>
> And they are the most pathetic cases, living out their old age in want and poverty.

Then I would like to refer to an editorial taken from the January 20 edition of the Vancouver *Province:*

> Now that the federal cabinet ministers and members of parliament have arranged among themselves for a handsome increase in yearly income . . . they might give some thought to the plight of people vastly poorer off than they—people who are really suffering.

I do not quote this editorial in any spirit of criticism because I am sure the house will remember that our group gave its support to the increase made at that time. However, I think I am justified in drawing the plight of these people to the attention of this house. Further on this article states:

> But in the cabins and bare apartments and chill furnished rooms where some thousands of old age pensioners drag out a sorry existence, there is not even an appearance of comfort. There is just enough to get by with at the best of times, and in these freezing winter days, any penny that goes for extra heat must be deducted from the allowance for food. How could it be otherwise on a pension of $40 a month? How could it be much different even in those provinces where the pension is augmented a little?

I might point out that in British Columbia there is a $15 supplement to the pension from the province. The article continues:

> If the country can afford to double the salary of a member of the Commons or the Senate, it can afford to be just, if not generous, to the people who have worn themselves out making this country and have won little or nothing for themselves in the making.

I thought it advisable to bring that to the attention of the minister to emphasize again our plea on behalf of those who are living on the old age pension. Of course there are many other cases we could draw to the attention of the government, but I feel one is sufficient, and I would just like to place myself on record this afternoon as requesting that further consideration be given to our old age pensioners. I appreciate the courtesy

extended to me by hon. members in permitting me to make these remarks at this time rather than later on in the discussion.

**Mr. Macdonnell:** Mr. Chairman, I am sorry not to defer to the suggestion made by the minister but I promise I shall not take any longer now than I might do later on, and I will not be any duller now than I might be later on. I would like to have the same confidence as the hon. member for Cape Breton South that the quiet and peaceful atmosphere in this house means that everyone is listening. At any rate, there is a kind of calm which it is suggested to me will not be continued if we sit tonight.

I want to say a few words following what the hon. member for Red Deer said in regard to encouragement to the voluntary organizations. When we spend $816 million in the department and, I think, something in the nature of $150,000 for the voluntary organizations then there seems to me to be a terrible disparity. I want to make some suggestions to the minister along that line. The hon. member for Cape Breton South told us to forget about regimentation, get our heads together and do something. My comment on that is that I think we have got to be very clear in our own mind as to what we believe is a proper division between government activity and the activities of the voluntary organizations, and it is because I think there is a danger that the voluntary organizations—

**Mr. Martin:** Would the hon. member permit me to give an illustration of the difficulty? We are now talking about assistance to voluntary organizations. But in the estimates my hon. friend will find there are grants to the national Health League of Canada, the Canadian National Institute for the Blind and other voluntary organizations, and from the limited number mentioned by my hon. friend he concludes that the grants to the voluntary organizations are very limited. But that does not give a true picture and it is only when we get into the estimates that a true picture can be given. For example, take the national health grants but under that item there are grants of $3 million to the voluntary organizations. That would not appear except when we are discussing the national health grants program. Consequently I think my hon. friend will find that he will obtain more information in the way I have suggested. I do not want to ask him to fall in with my suggestion if he feels he cannot do so, but I thought I would explain the situation.

**Mr. Macdonnell:** Again I am sorry I cannot defer to the minister, but I might encourage him by saying that I shall be reasonably brief. One of my reasons, and I think this will make him smile, is that I have not yet abandoned hope that something might be done for some of these organizations which in the midst of the universal plenty in the department are actually getting less than they got 20 or 30 years ago. It is because I wish to raise certain points which arise in my mind in regard to this that I might seem to the minister to be rather disobliging.

Now, monopoly is monopoly wherever we find it. It could be under the aegis of a socialist government, and we have an indication this afternoon that the hon. member for Cape Breton South would like it that way, or it could be under the aegis of a government that does not call itself socialist. I am sure it is not displeasing and indeed comforting to the minister to feel that over $800 million is flowing out from his department in a kind of beneficent stream which goes into hundreds of thousands of homes. I do not suppose there is any reference to authorization by the Minister of National Health and Welfare when the cheques are received, but still the people do know it, and they associate these cheques with the Minister of National Health and Welfare.

Now I think this comforting thought might very easily develop into a belief that what is done by the minister in his department is really better done than it can be by anyone else, and it could easily run into the feeling that, after all, "what are these private organizations. They are very small potatoes, so why bother about them." It is because I want to suggest to the minister that the voluntary organizations are very much worth while, not only by reason of what they themselves do but by reason of what they assist him to do that I want to read onto the record one or two opinions of people whose opinions the minister will value more than he will value mine.

I think there are two main reasons for keeping these voluntary organizations alive and vigorous. The first one is to keep alive in the community those feelings which are represented by voluntary organizations, namely a sense of responsibility for other people and a quickening of the sympathy and understanding which is necessary if the community is to be the kind of vital community which it should be. In this connection I want to make reference to one or two short quotations from a book by Sidney and Beatrice Webb who, of course, approach this matter strongly from the socialist point of view but who have one or two extremely interesting things to say about the important place left for voluntary organizations. I say again, Mr. Chairman, that it is only because

of the fact that it is quite possible for this consideration to be lost sight of or to be underestimated that I take a few minutes of the time of the committee.

It is interesting to go back into the nineteenth century and to realize the two extreme and contrasting attitudes which there were in existence at that time. I am quoting now from page 222 of this book entitled "The Prevention of Destitution":

> There are still many good people among us who instinctively resent any discouragement of the personal impulse to give alms or to perform "good works" as a religious duty by which we "acquire merit" or do glory unto God, quite irrespective of the effect really produced upon the recipients and beneficiaries. To them, at least in theory, personal charity is everything. On the other hand, there are still amongst us representatives of the unspoken views of the "early Victorian" economists, who regard every kind of philanthropic action as a hideous mistake, calculated to undermine the independence and lessen the energy of the poor, and even to promote the survival of the unfit. To them, personal charity and government provision are, at least in theory, alike anathema.

We have got away beyond the idea of charity in this matter; we have got beyond it to the point of the rights of the citizen in the community, and we are now conferring benefits on the citizens of the community, not as a matter of charity but as a matter of right, which we all accept. It is because, in that situation, I think there is so much that can usefully be done by the private organizations that I wish to read another short paragraph from page 250 of the same book. The writers have just referred to the responsibility which must rest on public authorities for dealing with various types of need. Then they say:

> On the other hand, though the public authority concerned must be responsible for the adequate treatment of all the cases needing attention, this does not mean that it need do, for all cases, everything that needs to be done. There is, as we shall see, an enormous part of the work which voluntary agencies can do better than the public authorities, in which they can bring to bear their specific advantages on particular cases or classes of cases, or in particular parts of the treatment of all cases. In every branch of social work, with regard to every conceivable class of case, there is the utmost need for the initiative, the inventiveness, and the practical experimenting which voluntary agencies have so much at their command.

I might read more, Mr. Chairman, but I am trying to keep this speech as short as I can.

I now wish to read an extract from an article by a man well known to the minister as well as to all who are interested in social work. I refer to Philip S. Fisher who has occupied many important positions in the field of voluntary effort. He says one or two things that I wish briefly to quote. At page 27 of *Canadian Welfare* of May 1, 1953, he states:

> May I give you my definition of welfare? Whether it is case work or group work, whether it deals with indigency or sickness or maladjustment, the function of welfare is to make a dependent person less dependent.

Then, a little later on, at page 28 he states:

> I suppose of all the differences between government and voluntary operation, the most fundamental is that a government has the power of coercion whereas a voluntary operation must rely on co-operation. Frankly, I recognize that the power of coercion must exist in certain areas, but no one will ever make me like it, or make me believe that it should be used except in situations where all other means towards uniformity of action will fail.
>
> I value tremendously the freedom of will and freedom of action used, not in the direction of irresponsibility, but in the direction of voluntary collaboration for the benefit of the community.

And finally, from page 31:

> If a government department spends $10,000, it presumably gets $10,000 worth. If it gives $10,000 to a voluntary agency, that frequently breeds an expansion of service, and of giving on the part of volunteers, with the result that twenty, thirty, forty or fifty thousand dollars may be available for welfare.
>
> More than that, government support is a moral endorsement which can be very helpful to a volunteer operation. Here is an area where government can give leadership in advance of public opinion—at least as long as the stakes are reasonable.
>
> As a *quid pro quo*, there is one service which private organizations can often perform for government departments, that is, the service of interpretation and support. Who better than the private agency can help the public agencies in interpreting their functions to the public, and in promoting their budgets? Government grants to private agencies can be good for government departments as well as for the agencies they help.

Finally, Mr. Chairman, I wish to refer briefly to one or two comments made regarding one of these agencies in particular, namely the Health League of Canada. Its grant has been grievously cut down. Out of a great many statements in support of the league, I wish to read briefly from three. The first is from Mr. A. R. Mosher, president of the Canadian Congress of Labour:

> In this, however, as in the other activities of the league, I believe that constructive and valuable work is being done, and I have therefore no hesitation in joining in the representations which you are making to the Hon. Paul Martin, Minister of National Health and Welfare, in this connection.

Second, I wish to read a short quotation from Msgr. Ferdinand Vandry, rector of Laval University. I have the pleasure of knowing him. He is a wise and eminent citizen of our country:

*(Translation):*

> In order to continue to fulfil its duty with efficiency, this organization needs considerable additional revenue. Accordingly I would be very happy if the Canadian government could see fit to give in accordance with the recommendations con-

tained in the brief of the Canadian health league and to raise the annual grant from $10,000 to $25,000 in favour of this meritorious organization.

**Mr. Martin:** Very well spoken.

**Mr. Macdonnell:** Ah! thank you, sir. *(Text):*

I venture to translate that quotation as follows: In order to continue to fulfil its duty with efficiency, this organization needs considerable additional revenue. Accordingly I would be very happy if the Canadian government could see fit in accordance with the recommendations contained in the brief of the Canadian health league to raise the grant in favour of this meritorious organization from $10,000 to $25,000.

Finally, I wish to read as my third quotation one from Mr. B. K. Sandwell:

I desire to extend my unqualified support to the brief of the Health League of Canada and to the league's request for the increase of its government grant to $25,000.

I am convinced that this expenditure, made through a voluntary society, will produce far better results in the education of public opinion on health subjects than any direct action by the government itself, and that these results will amply justify the grant—as indeed the results in past years have more than justified the very moderate grants which the league has received.

I just wish to end where I began. The minister is going to point out that my figure of $150,000 is not a fair comparison with $816 million. I shall of course accept the minister's correction when he gives it, but when he has made that correction I am sure that having regard to the totals involved the grants to these organizations, assuming that they are doing good work, are beggarly in the extreme. To be able to say with truth that the national health league gets half, I believe, of what it got many years ago can only be construed, so far as I can see, to mean that as we have extended public participation in welfare we have sought to dry up and lessen the work of the voluntary organizations. I hope that is not so.

**Mr. Martin:** You would be surprised at how much of our money goes to voluntary organizations.

**Mr. Macdonnell:** I hope that is not so. I hope the minister will be able to satisfy me it is not so. I have to say to the minister what he already knows, that there are some very responsible people who feel most disappointed at the attitude of the department.

Item agreed to.

Indians and Eskimos health services—
261. Operation and maintenance, $15,440,038.

**Mr. Hahn:** As the hon. member for Red Deer said, Mr. Chairman, I want to give you a chance to catch your breath. However, that is not my prime reason for rising at this time. The hon. member for Fraser Valley, who had to leave a few moments ago, asked me to draw an article in the Chilliwack *Progress* to the minister's attention and to get information first of all as to whether or not the matter referred to has been approved by the government. The Chilliwack *Progress* of Wednesday, April 14, 1954 has this to say:

Authorization of an additional expenditure of $15,451.33 for improvements to the Coqualeetza Indian hospital brings the total expenditure on the institution to $624,451, it was announced today by George Cruickshank, former Fraser Valley M.P.

It goes on to say that the minister will be there to open the new wing officially. I was asked to ask the minister whether the government had authorized this expenditure, whether it had been approved and whether we are to consider in future that defeated candidates are the official spokesmen so far as releases from the minister's department are concerned.

**Mr. Martin:** We are going to complete the work at Sardis at a cost of some $340,000, and the Coqualeetza hospital will have the very doubtful honour of being reopened by the Minister of National Health and Welfare.

**Mr. Hansell:** What about the latter part of the question?

**Mr. Hahn:** Are we to consider that in future Mr. Cruickshank will be the minister's spokesman for that area?

**Mr. Martin:** I will have to give consideration to that important matter.

**Mr. Studer:** How do they do it in Alberta?

**Mr. Michener:** I have been interested in the treatment of the item having to do with provision for increases in salaries which appears in all of the departmental estimates. I notice that it ranges from as low as 3 per cent in some of the branches of the minister's department to 9 or 10 per cent in other cases. I also notice that the allowance for increased pay does not seem to vary very much depending on the increase or decrease in staff. Would the minister say something about the method of making provision for increases in pay generally in the national health branch?

**Mr. Martin:** Our salaries, like the salaries of any other department, are generally fixed by the civil service commission. We do not have any control over the situation except to make recommendations with respect to the length of service and the grade of the official. The salary range itself is something that is not determined by the department.

**Mr. Michener:** I assume these estimates are largely to cover routine promotions according to principle and scale depending on seniority.

**Mr. Martin:** And the general salary increases throughout the government service.

**Mr. Michener:** And 8 per cent is roughly the average throughout the government service under such items.

**Mr. Martin:** That is right. The only salaries we would really control would be those of the two deputy ministers, the minister's private secretary and that sort of thing, but generally speaking the situation is as I have outlined.

**Mr. Michener:** My calculation of the numbers employed in the health branch last year was 2,751 and there is an increase of 155 or thereabouts for this year.

**Mr. Martin:** Yes, that is right.

**Mr. Michener:** This item having to do with Indians and Eskimos health services may be the opportunity for me to satisfy my curiosity about the cost of the hospital at Moose Factory. Can the minister tell me that?

**Mr. Martin:** About $2 million.

**Mr. Michener:** And it is now in operation.

**Mr. Martin:** Yes, and it is one of our most successful ventures. I only wish we had built the hospital twice the size and capacity.

**Mr. Michener:** Has the minister had any regrets about having built it on the island rather than on the mainland?

**Mr. Martin:** No, I think the recommendations made by the Department of Public Works and certain ecclesiastical authorities resulted in a very wise decision.

**Mr. Michener:** With respect to the question of cost accounting in these hospitals, which I also raised this morning on the veterans affairs estimates, I notice that the minister's department has quite a number of hospitals which I take it are operated mostly for the benefit of Indians, with perhaps some for Eskimos. According to the public accounts they had some 1,744 beds in the year ending 1953, and the total cost of operation was given as $4,500,000 which, according to my figures, works out at about $7 a day. I would be glad to have from the minister the exact figures of the cost of operation per patient day of the hospitals which are provided for in this grant.

**Mr. Martin:** We estimated the cost as approximately $6. The extra dollar would be for public health services generally.

**Mr. Michener:** That is about half the cost of the veterans affairs hospitals. Perhaps the minister would like to say something about the difference in service.

**Mr. Martin:** I do not think there is any difference in service except that our general salary scale for professional people is not as great as it should be, not as high as elsewhere. During the time I have been minister the budget for Indian health services has risen from about $1 million to a little over $16 million. My hon. friend, who has had very distinguished service in government, will appreciate that one has to keep within one's allotted budget.

**Mr. Michener:** But these figures would be comparable with those for veterans affairs, and the complete range of hospital services necessary for the patient are provided at something less than $7 per patient day. Am I correct in estimating that the corresponding cost at Moose Factory hospital is $9.50 a day?

**Mr. Martin:** I do not think it is that high, but it is a higher cost. As my hon. friend knows, it is a very costly operation situated where it is. It is not a nursing station. It is a large hospital in a region more thickly populated with tubercular people than almost any region in Canada.

**Mr. Michener:** Would that be about the figure?

**Mr. Martin:** I do not think it is quite that high, but it is higher than the average. I will give my hon. friend that later before my estimates are finished.

Item agreed to.

Indians and Eskimos health services—

*264.* Health insurance studies and administration of the general health grants, $99,337.

**Mr. Nicholson:** In view of the fact that we have voted over $20 million in the last while I am sure the minister will appreciate having a few comments on this item. I should like to support the suggestion which has come from several parts of the house that we reach these estimates earlier in another session. I believe that if we could get consent to have these estimates referred to a special committee it would serve a useful purpose. I was a member of the party that made a tour of the laboratories earlier in the session, and I found those visits very valuable. I should like also to thank the minister for arranging the exhibition at Lansdowne park.

**Mr. Martin:** Thank you for going.

**Mr. Nicholson:** I feel that all members who are interested in health would find it very helpful if officials from the department could be brought to one of the committee

rooms here where we would have several hours in which to hear about the important work the minister is doing in the field of health.

We have had some discussion about health insurance studies. I appreciate the fact the minister cannot go much faster than public opinion will permit, but I think he can go faster than he is going. I realize that there is a good deal of opposition, particularly amongst the medical fraternity in Canada, regarding any form of socialized health service. We faced this problem ten years ago in Saskatchewan, but we have made a good deal of progress. However we have not been able to introduce a complete scheme of socialized health services because we believe in democracy and we cannot carry out that sort of program without the co-operation of the doctors.

I should like to tell the house about some of the very important fields in which we have introduced socialized health services. I refer to cancer, t.b. and mental diseases. Saskatchewan is not the only province that has introduced socialized ideas in connection with t.b. The C.C.F. government cannot claim the credit for that. When the first sanatorium was built in Saskatchewan many years ago—

**Mr. Martin:** By Dr. Ferguson, one of the great men of Canada.

**Mr. Nicholson:** Yes; I appreciate that voluntary comment from the minister. He had some new ideas regarding the treatment of t.b. He thought that the cost factor should be reduced to the minimum. When the first sanatorium was built we had a marked drop in the death rate from t.b. When the cost was reduced from $2.50 to $1 per day, there was a further drop in the death rate. Then when free treatment was introduced we had a further drop. For years Saskatchewan has had one of the lowest death rates from t.b. anywhere in the world.

I should like to submit to my medical friends that today the doctors and nurses in our sanatoria in Saskatchewan are held in very high regard by the citizens of Saskatchewan and elsewhere. I believe that, on balance, they probably have as high a standing as any doctors in the country. The same thing applies to cancer.

I am sure that many of the members will recall the former hon. member for Melfort, Mr. Percy Wright, who was here for many years. I am sure he would not mind my saying that he recently underwent a serious operation for cancer. Mr. Wright has been in the fortunate position during his lifetime of being able to have the best medical service available anywhere in the country. Some eight or nine years ago he was advised to go to the best surgeon in Canada, the late Dr. Roscoe Graham in Toronto. He went there and underwent a successful operation. But when an operation for cancer was necessary he wanted to know whether Rochester, Toronto, Montreal or Saskatoon would be the best centre to which to go. He went to some of the best authorities in Saskatchewan, who said that making a decision as to where he should go is rather important and one should make the final decision oneself. Some of his medical friends, who were not personally interested in the case said, "If we were in your position we would stay right here in Saskatoon because we believe the people here who have been specializing in cancer have had advantages that are not found elsewhere." Mr. Wright accepted that advice, the operation was performed in Saskatoon and I am happy to say he has been enjoying very good health.

Socialized services in Saskatchewan in the field of cancer have provided for our people services which we believe cannot be surpassed anywhere in Canada. The same thing is true of mental illness, which is a very costly type of illness. In many places in Canada people who have the misfortune to become mentally ill find that all their earthly possessions are used up before they are able to earn again. In Saskatchewan those who have the misfortune to require treatment for mental illness find that the entire cost is carried by all the citizens of the province.

There is one further service I should mention, and that is the air ambulance. Again we are proud of the fact that we are the only people on this continent who have the good fortune to have a publicly-owned and operated air ambulance service available for anyone in the province if a doctor or nurse or justice of the peace or any responsible citizen expresses the opinion the air ambulance service is necessary. There is a $25 fee charged for the ambulance, with a trained nurse to go with it. It is available to go anywhere in the province to move a patient to the hospital. If the patient cannot pay the $25, the air ambulance makes the trip in any event.

I suggest that having experimented in these several fields we have come to the conclusion that the time has arrived when we should make some further progress. I might mention that I live in a municipality which has had socialized medical services for quite some time. This was a depression development when the municipality found itself in a position where it was liable for indigent

cases. The doctors were being paid $3,000, $4,000 or $5,000 a year for looking after these indigent patients, upon a fee for service basis. Some of the members of the council thought if they were going to have to pay out that amount of money they should make a bargain with the doctors to pay whatever would be necessary so that everyone in the municipality would be able to have medical treatment. Again the present C.C.F. government cannot take credit for the development.

At one time about one-third of the rural municipalities in the province had municipal doctor schemes. In our municipality we have two doctors on salary. I appreciate the arguments advanced that the individual must be permitted to select the doctor. We are in the position where we can select either of two doctors, and we realize that if it were not for the municipal scheme these young doctors would probably be in Winnipeg, Toronto, Montreal or Vancouver, where they know larger incomes are available. The young doctors out of college have been able to go to these municipal appointments. They have been able to have plenty of work from the time they come into the office. I want to tell the house that there have been very few criticisms about the quality of the service.

I have the highest regard for my neighbour, the hon. member for Lanark, who has given me some valuable training in the field of medicine since I first knew him, and who has never charged me for that medical advice. However I did not ask for any personal advice. I am sure that the people in his community have a very high regard for him. If I were to take sick tonight, and if I could get to my own doctors in Preeceville, I would rather call them than any doctor in Ottawa. I am not saying there are not doctors in Ottawa who are not as trustworthy as the Preeceville doctors, but I happen to know and trust them. If they thought they should operate, they would say they should, but if they said, "we would advise you to go to Saskatoon or Regina", I would accept whatever advice they gave. I think there has been very little criticism on the part of taxpayers about the quality of the service, or on the part of the doctors on the ground that people have been abusing the service. So I suggest to the minister that he move more quickly in trying to educate public opinion in Canada regarding the need for an over-all health program.

Then, there is one other matter that I planned mentioning earlier. I am sure the minister will allow me to bring it in here. I was down to Montreal—

**Mr. Martin:** Could we carry this item first? I assume the hon. member is referring to the neurological centre?

**Mr. Nicholson:** What item would that be?

**Mr. Martin:** The next item.

**Mr. Shaw:** Possibly the minister does not have to be reminded that the hon. member for Lanark did request that he make a rather detailed statement on the progress that has been made in connection with health insurance studies. I notice that health insurance studies and the administration of general health grants are grouped together. I assume the same persons who are administering the general health grants are making studies with respect to health insurance. What I do wish to know is this: Is it possible to break down that item of $99,000 in order to show what part of it is being spent for the carrying out of health insurance studies, and what part is being spent for the administration of health grants.

**Mr. Martin:** That is hard to do.

**Mr. Shaw:** I realize that as it is put together here there might be some difficulty. And for that very reason I am going to suggest to the minister that possibly something could be done about separating these two costs. It is hardly fair to say to me or to another hon. member, "Well, because the same people are doing two different things we cannot tell you how much it is costing us to have them do one thing". And since, in my mind, these two things are related, but to a degree are still separated, I think there could be some justification in asking that consideration be given to some method of breaking this down so that we could know what it is costing the taxpayers to have studies made with respect to health insurance.

**Mr. Michener:** I find in the details recurring references to educational and informational publications, and educational and informational material, other than publications. These items are scattered through the estimates of the health branch, and I daresay they will be found also in the welfare branch. I have seen many departmental publications and I have an idea what they cover, but it would be interesting to know the cost of that kind of general information. Would the minister give that information for both branches of the department?

**Mr. Martin:** We have passed that item. It would come under the general administration grants. We have passed that, and we are on a particular item in connection with which there were two informational votes, one for $5,250 to provide a film for wide distribution on medical and allied professions, and a statistical report amounting to $5,750. Our total vote—and we have passed it—is slightly less than last year, by some $4,000.

The total amount for publications for the department as a whole is $453,000, which does not include the much bigger item of civil defence, which is in a class by itself.

**Mr. Michener:** That is the amount for this item.

**Mr. Martin:** No, for the whole of the publication services.

**Mr. Michener:** Of the department?

**Mr. Martin:** Yes.

**Mr. Michener:** Both branches?

**Mr. Martin:** Excuse me, I was wrong in my former answer. It is the whole thing. It includes civil defence. Civil defence is $117,500, and it is $335,000 for both health and welfare publications.

**Mr. Michener:** The item is No. 264. What I want to get is the total for the health branch of the department and for the welfare branch.

**Mr. Martin:** I have given that. As I have said, we passed it. I wish to be as courteous as I can; but we are now dealing with a specific vote in connection with which there is an informational vote of a little more than $10,000. Strictly speaking my hon. friend is not permitted, under the rules of the house, to discuss anything but that specific vote. However, I appreciate his position. The total vote of the department, inclusive of civil defence, as I gave it a moment ago, is $453,000, in the field of publications.

**Mr. Blair:** In connection with health insurance will the minister tell us how health insurance studies are progressing. Have they arrived at a conclusion, or are studies being made in the branch?

**Mr. Martin:** I can say briefly that the health insurance studies division is continuing its studies of this important problem. Not only have we made studies of costs situations in our own country, but we have had some of our officers go to the United Kingdom and Scandinavian countries. Dr. Jackson, who sits in front of me now, has made some of those journeys. He is recognized as one of the outstanding experts in the country.

In addition to that we have carried on and are carrying on assessments of the most important national sickness surveys, five interim reports on which have already been given. This matter is receiving our fullest consideration, and we have been discussing voluntary plans that are carried on outside the auspices of the government, schemes in two of our provinces; and on the ministerial level we have had discussions with the various provincial ministers of health, including some provincial premiers. And I can say at this time that so far as the provinces are concerned, I know of only one provincial government that would be prepared to embark upon a scheme along the general lines that have been indicated here this afternoon. And I say "general lines" because we are not particularizing.



**Mr. Knowles:** It is precisely because I thought the minister might make some reference to the stand of the provincial governments that I made reference earlier today to what I think might be called the grass roots views—and I refer in particular to the views of the very intelligent and well-informed people who listened to our broadcast a few months ago. I suggest that their views, and the views of the people in the country generally, might be ahead of the views of provincial governments. On that basis I would like to put to the minister just one simple little question: When is the government going to bring in health insurance?

**Mr. Martin:** Mr. Chairman, I think this is the time, before six o'clock, to put this statement on the record, so that it will be there. This is the statement of the Prime Minister on July 9 last when, speaking for this party, he said:

> The Liberal party is committed to support a policy of contributory health insurance to be administered by the provinces. But, under our federal system, to get health insurance started the people and the governments of the various provinces have to take the initiative in working out plans adapted to local conditions.
>
> We are ready to assist in a sensible and practical nation wide scheme, but that depends on satisfactory agreements with the provincial governments.
>
> I am more convinced than ever that this is a field which should, as far as practicable, be left to provincial administration. Conditions differ vastly from one province to another, and services which are suitable for one region are quite unsuitable to another. We now have had a great deal of experience with health schemes of all kinds in this country, including full-fledged hospital insurance in two of our provinces.
>
> But I do not think it would be fair to the taxpayers of Canada in all the provinces to make federal contributions to provincial schemes in only one or two provinces.
>
> Federal contributions should be regarded as a supplement and an evener-out, when most of the provinces are prepared to undertake satisfactory schemes.
>
> And it is Liberal policy to go on improving federal health grants which have done so much to place all the provinces in a better position to discharge their primary responsibility in this important field.

I can add no more to that.

**Mr. Knowles:** Mr. Chairman, I should like to say that I regarded that statement at the time it was made—incidentally, it was

made during the course of last year's election campaign—as one of the truest statements that was ever made by a politician in the midst of a political campaign. The Prime Minister, the leader of the Liberal party, told Canada that the Liberal party was committed to a program of health insurance. That was then true for 34 years; it is now true for 35 years, that the Liberal party is committed to health insurance. But when is that commitment going to be implemented?

Item agreed to.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at seven o'clock.

General health grants—

*265.* To authorize and provide for general health grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $48,433,939, $31,750,000.

**Mr. Hahn:** Mr. Chairman, this vote has to do with the federal health grant to hospitals and at the present time the grant set by the federal authority is $1,000 per bed for active treatment, and $1,500 per bed for chronic, convalescent, mental and tuberculosis beds. That figure was arrived at when the former prime minister, the late William Lyon Mackenzie King, was in office, and he indicated that it was to be an assistance grant. At that time there was a shortage of something like 60,000 beds in this country, and I think he quoted that figure at that time.

Now before I go any further I would like to commend the people in the various communities throughout the dominion for the work they are doing in attempting to build hospitals. They are carrying out an extremely difficult task, particularly when people are being asked to contribute to every form of society under the sun. I see the minister nodding his head and I think that indicates he is aware of the difficulty.

Since the act came into effect 100 beds have been provided in the mental hospital in my own riding, as well as 169 at the Royal Columbian hospital, 48, I believe, at the Langley hospital, and there have been additions at the White Rock hospital though I am not aware of the exact number. That would indicate that the population is growing in my riding and of course hand in hand with that must go a greater need so far as hospitalization is concerned. But it is very far from true that the supply is keeping pace with the demand.

In the case of British Columbia and particularly the lower mainland the population has practically doubled within the past 20 years but certainly the number of beds for hospital purposes has not increased proportionately. Earlier in the year, speaking on the budget debate, I raised the question of the old age pensioners, and I indicated that we had to face hospitalization problems because about 6·84 per cent of the population of the riding were elderly people in receipt of old age pensions. The comparative figure in the province of Alberta is 4 per cent, Saskatchewan 4·5 per cent and Ontario, with all its wealth, has a figure of 5·3 per cent. What I am indicating is that people of that age, as everyone is aware, are more in need of hospital assistance than anyone else and we have a greater problem proportionately speaking than any other area in the Dominion of Canada.

We therefore require more assistance. In fact, the North Surrey people have been trying to build a hospital for a matter of 10 years now and each time they reach the point where they think they will be able to complete the hospital the costs go up and the actual need increases because there are many more hundreds of people in the community. Actually they have reached the stage where they have found it absolutely impossible to go ahead with the building of the hospital. This thing has been snowballing and is continuing to do so. It may be said that this is true of only one locality but I do not think that is correct.

The price of a hospital bed unit some years ago was $3,000, and in 1948 that cost had risen to $5,000 or $6,000. I understand the price today is $11,000 and the people I have mentioned are no nearer their goal today than they were 10 years ago. They are perhaps worse off because the area now requires a very much larger hospital.

The people in that area have been asked to vote money for a municipal hospital but even if they do so it will by no means be large enough to meet our needs. The White Rock hospital board has indicated that they realize that their hospital is too small already, and added to that the Langley and New Westminster hospitals are trying to raise funds in order to increase their size.

In view of the fact that a large number of people come to our province from other provinces to spend the latter part of their days

in that region, these people feel that they should receive some further consideration, and they feel that the hospitalization vote is much too low. I believe there is some merit in their argument, particularly when we consider that every person in the dominion is paying only one cent towards the federal grant. They feel it should be something like two and a half cents per person. If that were done they would then become eligible for the $2,500 grant per bed. The present act says: "The hospital construction grant is to be distributed on the basis of $1,000 per bed for active treatment beds or bed equivalents in the case of health facilities, $1,500 per bed for chronic, convalescent, mental and tuberculosis beds, and $500 per bed for living quarters for nurses. The provinces are to match or exceed the federal contribution which shall in no case exceed one-third of the actual total cost."

Instead of the federal government paying one-third of the actual cost with the present cost at $11,000 per treatment bed, it means that the federal authorities are paying $1,000, which is one-eleventh, the provincial government is paying one-third, and the bulk of the cost of looking after our senior citizens is left to our municipalities. I have called attention to the fact that these elderly people are adding to the burden on the community, but we must shoulder that responsibility. In doing so, however, we require to build new hospitals and in order to do that we must have more assistance. I am sure the minister is well aware of that and while people may say that there are many people who require help I think some regions are more in need and deserving than others. I would like the minister to reply to my suggestion that we should receive at least $2,500 per bed.

**Mr. Studer:** In connection with agreements for grants for health services throughout Canada, I have been somewhat interested in the grants as they pertain to the various provinces and how they have been equalized, met or matched, as we have been speaking about them, in the various areas. From the trend of the conversations today, it may appear as though there were no health services in Canada available from the federal government; and again from other trends it would appear that if there were, they were not sufficient. From what the figures show it would appear to me that in some of the provinces the federal government is considerably ahead of any of the provinces with regard to national health. It appears to me that the provinces could perhaps exert themselves to grant to their people national health services that the federal government is prepared to grant and is granting and matching the amounts that have been made available. In the grants to Saskatchewan, for crippled children, for instance, I notice that $31,874 is available and the amount matched or expended was only $24,230. The amounts available and expended are as follows:

Amount Available and Expended
1953-54

Saskatchewan

| Grant | Amount Available (a) | Amount Expended |
|---|---|---|
| Crippled children | $ 31,874 | $ 24,230 |
| Professional training | 31,874 | 22,739 |
| Hospital construction | 2,066,522 | 499,585 |
| Venereal disease control | 31,874 | 30,647 |
| Mental health | 372,459 | 338,891 |
| Tuberculosis control | 236,535 | 236,523 |
| Public health research | (b) | 26,664 |
| General public health | 411,500 | 352,289 |
| Cancer control | 210,244 | 210,244 |
| Laboratory and radiological services | 252,900 | 154,483 |
| Medical rehabilitation | 33,134 | 4,042 |
| Child and maternal health | 32,895 | 30,830 |
| All grants | $3,711,811 | $1,931,167 |

(a) Includes transfers of funds between grants
(b) Unallotted by province

The total of $1,931,167 used is a little over one-half of the entire amount available. So, having regard to the discussions, Mr. Chairman, I wonder where the federal government is at fault. Some suggestions have been made that the provinces perhaps have not sufficient funds to meet what the federal government offers. According to a return, to be found at page 5689 of *Hansard* of June 9, as to the amount of money that is being spent in Saskatchewan by the federal government, we find that the amount is $139,918,000, which includes the $26,121,000 grant through the dominion-provincial agreement. It would seem to me that these grants that are apportioned to the provinces under the dominion-provincial agreements should be utilized for the purposes of health.

The federal government have taken over taxation in the fields of income, corporation and succession duty taxes in most provinces and are paying in lieu thereof certain amounts of money over and above what they would receive if the federal government did not have that jurisdiction. It figures out on this basis. For every man, woman and child in Saskatchewan $33 is taken out of the province of Saskatchewan in taxation, from all federal sources. But handed back to the province from all sources, again from the federal government, is $74 for every man, woman and child.

**An hon. Member:** In Saskatchewan.

**Mr. Studer:** In Saskatchewan. So one would imagine that this province that is

supposed to lead the world in health, or at least makes that claim, would have a better record than the one we see here. It is not much better than that of Ontario which used approximately half of what was allotted to them. However, the point is this. If Saskatchewan had the income tax field and the succession duty and the corporation tax fields, that would be where they would obtain their money to meet the cost of social services, health services and the education of the people. The federal government has taken over those fields and hands them back double over and above what they would have received and they should in turn use that income tax money which is more than the equivalent of what they would otherwise have for the furtherance of public health in that province.

Under this national health insurance or national health plan I wonder how far the federal government can go before the provinces are prepared to agree with them or what kind of agreement the federal government can make with the provinces, when we have had agreements for five years under this national health plan which I have already spoken about. Not only have we an advanced program here in Canada but it is an advanced program that all countries of the world will admit once they have acquired the information necessary to realize what Canada has been doing in leadership in that connection.

Only recently new grants, together with what I have mentioned here, are being added. One is of $11 million and is going to be expended for better health care for mothers and children; there is another grant for better health care for the disabled and better facilities and services to help doctors diagnose their patients' illnesses. In every field the dominion is prepared to take the leadership and to provide it in the amounts that are allotted to the various provinces.

I want to know what share are the provinces prepared to accept. What I want to know is why the provinces do not utilize this dominion-provincial agreement money to the full extent that they should, in the places where they should, namely, in the fields of national health and education. If they did so I am sure there would certainly be a national health insurance plan in Saskatchewan that could possibly be looked up to by all of the world. In any agreement that may be entered into in any future national health plan I would want to be assured that the various provinces are going to spend the money that has been granted them for the purposes for which it should be expended and not utilize that money for other purposes within the provinces so as to be in a position to reduce taxation within their own province and then make additional claims on the federal government.

**An hon. Member:** Shame.

**Mr. Studer:** I am not saying that they are doing that. However, I would like to know why only the $10 million mentioned in the provincial treasurer's report of 1953, or rather in the budget speech of the provincial treasurer, is being allotted for the department of public health, exclusive of grants under the hospital services plan, and why that amount should not be increased and other moneys utilized that they are receiving from federal government sources, in the form of this $140 million running through the field of taxation in Saskatchewan.

They tell me that the amounts that are expended for building hospitals has to come under this 3 per cent tax that they have in Saskatchewan, as are other services and grants that are rendered for our taxes. This all involves added taxation revenue for the province. I would hope that in any future plan, as I have outlined, the provinces would fully co-operate and utilize the money that all of the people of Canada are so willing to expend on that great necessity, namely, public health, and utilize it to full advantage for the benefit of all of their people.

**Mr. Nicholson:** Mr. Chairman, it will be noted that the hon. member for Swift Current-Maple Creek has been away for some time, but he has been able to make a political speech again tonight on a matter—

**Mr. Studer:** I do not make them in the province of Saskatchewan when I should be here in the House of Commons. I can tell the hon. member that.

**Mr. Nicholson:** I may say, Mr. Chairman, that I have not been in the province of Saskatchewan making speeches. I have been here.

**Mr. Studer:** I did not say that I was referring to the hon. member.

**The Chairman:** Order.

**Mr. Nicholson:** I have been here doing my duty. As to these matching grants that the hon. member has been mentioning should be made available, may I say that instead of having matching grants, I think these grants should be made available where there is need. I think that the hon. member for Swift Current-Maple Creek would agree with me when I say that all the people of Canada are enjoying the benefits of the leadership we gave ten years ago in setting up new hospitals and giving our people better health services. At that time it looked as if we

might form a government in Canada and the government of the day decided they had better get into the field of health and get some credit for participating in what everyone in Canada considered was a must. I am sure the hon. member will agree that income taxes, succession duties and corporation taxes are collected in large centres like Toronto or Montreal on profits that are built up by all the people of Canada. When we buy our farm machinery we make it possible for International Harvester or Massey-Harris to build up taxable incomes which are payable in Ontario. I think it is only fair that revenue from that sort of income should be made available for people in all parts of the country.

I do not apologize for my province in any way. It has been our misfortune that we have had tariffs that have built up these large fortunes in central Canada. However, I think it is not appropriate that the hon. member for Swift Current-Maple Creek and I should extend our political argument at this time. I have in my hand the very popular book, "The Canadian Mother and Child". Perhaps the minister will say how many hundreds of thousands of copies have been distributed.

**Mr. Martin:** The figure is 1,300,000.

**Mr. Nicholson:** I am very sorry to find that a book that was distributed free for many years is only available now at a charge of 25 cents. However the C.C.F. government of Saskatchewan is paying the federal government for it and it will be distributed free in that province. I am very sorry that the minister, with the very large appropriation he has, could not have continued to make this book available to Canadian mothers in all parts of Canada free of charge as was the case in the past.

**Mr. Studer:** Page the hon. member for Moose Jaw-Lake Centre for his saving and economy drive.

**Mr. Nicholson:** My reason for rising on this particular item is to inquire whether the department could not treat the Montreal neurological institute on a more generous basis. The minister was in Montreal, as I was, on November 20. He was able to get into television there, while I had the pleasure of a seat in the gallery. I am sure he was impressed with the very able remarks by Dr. Alan Gregg who was the guest speaker on behalf of the Rockefeller foundation. Dr. Gregg said:

> In but very few if any of the enterprises to which the Rockefeller foundation has been privileged to contribute in the last twenty years have the results equalled those you have created here in this neurological institute. If I were asked to name a single grant that the medical sciences division of the foundation has made since 1931 that I consider ideal in purpose, in performance, in local response and in national and international influence, and in the character of our relationships maintained from the very beginning, I would say without a moment's hesitation the grant to the neurological institute of McGill University. But that is only one way and perhaps a trivial one of expressing the admiration and the satisfaction the Rockefeller foundation has for what you have created here. More rare still is the compliment I would offer you, not without some fear that it will fail its target, in saying that in this neurological institute, the staff, the chief and the trustees are so beautifully fused into one shining amalgam that if I were to name one to thank I would be naming you all who have worked with him, for him and through him, and if I were to name all of you it would come to the same thing—for you are all the neurological institute of McGill University, each to the other, responsible, essential and inseparable.

I am sure everyone in Canada would echo Dr. Gregg's appropriate remarks about Dr. Penfield and the institute. But I was quite disturbed when Dr. Penfield gave a review of some of their work during the year. The minister will recall that Dr. Penfield said:

> It was back in 1950 at a crucial interview that the turn came in the tide of the economic affairs of this institute. Conditions had been going from bad to worse and it appeared that the doors of the hospital portion might have to be closed. We must, it seemed, get support for clinical deficits and we must rebuild and expand. There was no other way.

Dr. Penfield outlined his visit to Mr. Duplessis together with that very good friend of the institute, Mr. McConnell, and the provincial government undertook to provide $90,000 annually on condition that the friends of the institute would also do something. But it amazed me to think that as recently as 1950 Dr. Penfield, with his international reputation, had been placed in the position of having to go with cap in hand to try to get additional revenue so that their work might be carried on. In the very interesting report he gave of the work they have been doing it was made clear to me that this is one place in Canada where generous federal grants should be made.

I understand that Dr. Penfield has given up some of his activities now in the hope that he can find additional revenues so that their research work can continue. It would seem to me that with the very large amounts of money available for all sorts of things in Canada the minister should be able to give some undertaking so that this institute, which has done such outstanding work, could carry on indefinitely without these worries about balancing budgets.

On the day of the opening along with the minister and others I visited the new wing and I found there were patients there from

every province in Canada and from a number of other countries. I wonder whether the minister could not indicate whether or not this would not be an appropriate field for the federal government to make a grant on an annual basis so that the work that is being done by Dr. Penfield and his associates may continue unhampered by lack of financial resources.

**Mr. Martin:** Mr. Chairman, I do not propose to speak on these items as they come along unless I really have to. I do not suppose that any estimates have been passed at this session with as few observations on the part of the minister as has been the case today. The only reason I rise now is that the hon. member has touched a point on which I am very sensitive. It is regrettable, as several hon. members have said, that these estimates are always discussed at the end of the session. I think it is most regrettable, although it is nobody's fault, because I am not given the opportunity of really explaining what I think the people of this country are interested in. The fact that the hon. member could make the speech he has just made is confirmation of what I have said.

This government is proud of what it has done for the neurological institute, and Dr. Penfield would be the first to say that that is the case. I am sure the hon. member made the speech he did not because of ill will but because he was not informed as to the situation. I am sure that the neurological institute would have found it very difficult to operate at all if it had not been for the combined efforts of the federal and provincial governments a few years ago. An annual operational grant of $40,000 is now given by the federal government to the neurological institute under a national research council vote. In addition, we made a grant to the neurological institute of a little over half a million dollars, $400,000 of which was for some very valuable equipment that is now in the institute.

While I am on my feet, I want to pay a tribute to a very outstanding Canadian citizen, Mr. J. W. McConnell. I suppose I know more about his benefactions than any other man in Canada, not only for the neurological institute but for many other health projects in Canada.

**Mr. McIvor:** I know.

**Mr. Martin:** I think he might not like my having said this publicly, but I feel his generosity deserves this mention.

**Mr. Hahn:** Before we carry this item, would the minister indicate what consideration, if any, would be given to the plea I made a few minutes ago concerning an increase in the hospital grants?

**Mr. Martin:** I can offer my friend no encouragement on that particular whatever. This is a field that normally belongs to the provinces. We assist the province of British Columbia in its health budgets to the total of about $4 million. We have also helped with the building of over 5,000 hospital beds in British Columbia. In the city of New Westminster we have helped with the building of nearly 500 beds. Any new moneys that may be made available we propose to use in fields in which the provincial governments feel they cannot undertake a more particular responsibility.

**Mr. Hahn:** Would the minister let us know how much closer we are to meeting the shortage we had some years ago when we were about 60,000 beds short in the Dominion of Canada?

**Mr. Martin:** In less than five and a half years, through dominion, provincial, voluntary and municipal efforts, we have built almost 60,000 additional hospital beds in Canada. Our objective was 40,000 in a five-year period. We estimate now that there is, generally speaking, a shortage of about 23,000 hospital beds in Canada.

**Mr. Yuill:** I have a small problem, Mr. Chairman, in so far as assistance to hospitals is concerned. It seems to be common in the national parks. I refer to Seaton hospital in Jasper national park. Because of the natural growth of the personnel in the park and the town of Jasper, plus the increasing tourist trade, it became necessary to build an addition to Seaton hospital at a cost of around $70,000. There is a very peculiar situation there. The people of Jasper have been denied the right to form a municipality, and thereby have authority to sign an agreement with the provincial health authorities and in that way qualify for the normal $1,000 per bed grant that is traditional across Canada.

I do not know whether or not there is a solution to the problem. In my opinion, however, the matter might well be handled in this way. The taxing agencies within the park for school purposes have a system of bookkeeping set up there, and I would suggest the minister give sympathetic consideration to the idea that they be permitted to collect sufficient revenue, taxes if you will, from the people of Jasper so that they may be able to avail themselves of this $1 per day hospitalization. I have communicated with many of the people, and I am quite sure they

are quite willing and anxious to avail themselves of that $1 per day hospitalization. The technicality involved is the fact that there is no authorized signing authority.

I believe that the parks administration could enter into that agreement and with very little extra cost or labour collect the necessary money to equal the three mills or whatever it may be and thereby get the people of Jasper and the Sisters who are responsible for operating the hospital what appears to me to be at least a square deal. It seems rather ironical that because we have dual control or lack of it, I do not know which, they are denied the benefits of this $1 per day hospitalization. I should like to ask the minister if there is any possible way by which you could give the necessary consideration to seeing that that is carried out.

Item agreed to.

Grants to health organizations—

*266.* Canadian Mental Health Association, $10,000.

**Mr. Shaw:** I presume I might just as well ask the minister a question or two here as elsewhere. There are possibly 13 organizations that receive grants from the federal government. I indicated this afternoon that for the first 12—the 13th being a new one—the grants are the same this year as last year, and possibly have been the same for years. The minister indicated this afternoon that the mere fact grants are made to these organizations would indicate the government considered them deserving organizations. If they were deserving of this amount last year or a few years ago, certainly favourable consideration should now be given to increasing those grants, principally because the grants mean less to the organizations now than before.

I understand that taxes are up, and that these organizations pay a sales tax on the paper that goes into the publications they send out. They pay postage, and those rates were recently increased. I should like the minister to indicate to this committee just why it is that full recognition has not been given to these organizations, and why such recognition has not been reflected through some increases in the amounts. This afternoon the minister said something to the hon. member for Greenwood when he was speaking about this, but it was one of those semi-private conversations and hard as I tried I could not hear what was said. I should like to have the minister comment, even though I appreciate he prides himself on not having said very much while these estimates have been before the committee. I would not expect him to think he might be as fortunate from here on.

**Mr. Martin:** When I was talking about the brevity of speech, I was not only speaking about requests from this side. I have to operate within a budget, and we have established the principle of making grants to organizations on the basis of their national character and the assistance that they receive from the provincial governments. My hon. friend well knows that the grant for the Canadian National Institute for the Blind is larger this year than it was six years ago. The same is not true in the case of a number of other organizations. I do not want to specify any particular organization, although I am sure we all have in mind the one that is mentioned.

I have told the Health League of Canada that we would be prepared to give consideration to an increase in their grant provided we saw evidence of a willingness on the part of the provincial governments to bear their share towards the operations that are said to be undertaken all over this country.

**Mr. Shaw:** Would that apply to each of the other organizations listed?

**Mr. Martin:** That would apply to each of the other organizations. Now, on the general subject: I have made much in statements in public of the desirability of voluntary effort. We have laid down as the policy of this government that the federal government should not undertake anything in the field of health or welfare that might more properly be done by the provinces. We feel that nothing should be undertaken by the provinces, although that strictly is not our legal concern, if it can more properly be done by the municipality, the private organization, the family or the individual. That is our general philosophy in the matter. And to give evidence of the sincerity of this view, under the national health grants over $5 million of the money appropriated last year has gone to voluntary organizations of one kind or another—the hospitals, the Canadian Arthritis and Rheumatism Society, and so on.

One hon. member from British Columbia, I believe it was the hon. member for Fraser Valley, wondered why we had not given anything to the Canadian Arthritis and Rheumatism Society. Last year we gave that association over $135,000 to carry on its operations through its various branches. So I think it would be fair to say that we have recognized the importance of the voluntary partnership in this important matter.

**Some hon. Members:** Carried.

**Mr. Macdonnell:** No, it is not carried. I must say that the minister's statement is most unsatisfactory. I attempted to make some comment this afternoon following the hon. member for Red Deer. To be told in one breath that the minister is really interested in the work of these organizations, and then to realize the trifling amounts they get—and I am not attempting to assess what they do at all; I have nothing to do with that—I am bound to say that these amounts are utterly inadequate. Certainly they are not large enough, if the government considers these organizations to be of the value which the minister's words would seem to indicate. So far as I am concerned, the words and deeds do not match at all, and I am terribly disappointed in what the minister has said. I do not think he should ask anyone to accept it. I do not accept it. I hope these organizations will be able to do something to make their wishes felt. I feel in the strongest possible way that what is being proposed is utterly inadequate.

**Mr. Shaw:** Mr. Chairman, may I make it clear that I am not satisfied, even though I did not rise and say anything further. The minister and hon. members in the committee should know how I feel about this matter. I say there is justification for an increase in these grants, because of the increased cost and the wider varieties of work these organizations are doing, in the sense that there are more people in the country. I said this afternoon that I felt we were not doing enough in the field of preventive medicine. I certainly believe that these organizations could play a most valuable part in that particular field, and I am not picking out any specific field. The minister mentioned one organization. I hold no brief for any particular organization. I look upon them as a group of organizations engaged in a particular kind of work.

**Mr. Barnett:** Mr. Chairman, I rise to take part in this discussion because I find myself completely and utterly bewildered by some of the statements I hear coming from seats to my right and, may I say, a seat in front of me. On the one hand I hear people getting up decrying the evils of state medicine and regimentation. On the other hand, from the same place, I hear people getting up and saying that these organizations should not, really, be voluntary organizations at all, that the government should pay for them.

Now, that simply does not make sense. I am not saying that I oppose the government when it indicates that it has an interest in these organizations and feels they are doing a good job. In a sense this parliament has bestowed its blessing upon them. But to argue, on the one hand, that a thing should be voluntary and to argue, on the other hand, that it should be paid for by the government seems to me nothing but a lot of nonsense. I think these people should make up their minds where they stand.

If we are going to have a compulsory health plan paid for entirely from Ottawa, then let them come out and say so; but, on the other hand, if they believe that there is room for a voluntary effort on the part of individual Canadians, let them recognize that it should be a voluntary effort and come from the hearts of the people. I must say I find myself quite confused by some of the conflicting arguments I hear from every side.

**Mr. Shaw:** May I point out that if the hon. member for Comox-Alberni cannot recognize a voluntary organization as continuing to be a voluntary organization, even though it may receive a gift, then all I can do is express sorrow for him in his lack of capacity to understand the situation.

**Mr. Macdonnell:** May I make one comment. In my experience the hon. member for Comox-Alberni usually has had his mind well tuned to the facts. But it seems to me that, as has been indicated, in this instance he completely misunderstands the situation. Nobody suggests that these organizations should be wholly maintained. In the one case with which I am familiar I think they get from the government somewhere between 10 per cent and 15 per cent of their budget, or even less than that. I do not think there is anything derogatory about a voluntary institution asking for help. I agree that if a voluntary organization came to the government and asked it to carry the whole load, then I think the hon. member's remarks would be just as well-directed as I now consider them to be ill-directed.

I should like to have one or two facts with regard to these grants before we pass on. Do these figures, these amounts, go back a long way, or have they gone up or down? In other words what do they represent in the work of these voluntary institutions, as compared with five or ten years ago, in view of the changing costs?

**Mr. Martin:** Well, the World Federation for Mental Health is new. And it does not represent the full amount of assistance in the mental health field because under the health grants we are giving to the Canadian Mental Health Association assistance in connection with their operations in Alberta and

in British Columbia. There is another $10,000 in the case of those two provinces. Then, my hon. friend will know the record with respect to the Health League of Canada. May I say I was in error. I had told him privately that that amount had always been the amount of the grant. I find at one time it was $20,000; but in the period between 1931 and 1935 the government of that day cut the amount from $20,000 to nothing. I am not saying what that government was. The amount has since been restored and in 1946 was raised to $10,000. Then, the inclusion of the Canadian National Institute for the Blind represents a very substantial increase. In the case of the Canadian Public Health Association the amount remains stationary.

With respect to the Canadian Tuberculosis Association there has been no increase. The St. John Ambulance Association had an increase in 1950. The vote for the Canadian Paraplegic Association is new, having been put in six years ago. The grant to the Canadian Ophthalmological Society is new this year.

**Mr. Macdonnell:** I shall make only one comment. I recall when the government reduced the grant. It was a Conservative government and was done at a time when, as the minister knows as well as I do, we were going through desperate difficulties. Those difficulties were described last night by the hon. member for Swift Current-Maple Creek.

I am just pointing out that the minister is continuing at a low level, at a point 50 per cent of what it had previously been, a grant which was reduced 22 years ago, at a time of great difficulty when, no doubt, every conceivable economy in every direction was being made. I am glad the minister corrected what he said earlier. I can only hope that he will not continue to feel that that is a fair way to deal with these organizations, if that is a fair illustration.

**Mr. Hahn:** The minister indicated that last year's grant to the arthritis and rheumatism association was $135,000.

**Mr. Martin:** Yes.

**Mr. Hahn:** Is it the same amount this year; it is not included in the list as such?

**Mr. Martin:** It does not appear; it is under the national health grants made to the provincial divisions of the association.

**Mr. Hahn:** Would there be any large grants to organizations along that same line?

[Mr. Martin.]

**Mr. Martin:** Yes; we give the Canadian Cancer Institute almost twice that amount and also the heart foundation both in Montreal and Toronto.

Item agreed to.

National Physical Fitness Act—

*283.* To provide for the administration of the act, the sum hereby provided, notwithstanding sections 8 and 9 of the said act, to be credited to a separate account in the consolidated revenue fund, to be subject to section 35 of the Financial Administration Act and to be paid out by the Minister of Finance upon the requisition of the Minister of National Health and Welfare, $78,141.

**Mr. Macdonnell:** Am I correct in assuming that this item involves a grant of $78,000 under the National Physical Fitness Act that was buried the other day. We gave it a quick burial. May we have an explanation?

**Mr. Martin:** The hon. member will know that we had an agreement with one of the provinces that came to an end only in December 1953. It was a ten-year agreement, and but for that I would have earlier recommended to my colleagues and, subject to their acceptance, I would have brought into this house a suggestion that we repeal the National Physical Fitness Act much earlier than we did. That explains why the action taken a while ago was not taken earlier. However, we have to consider our relations with the provinces, and in view of that terminal date, in the meantime not knowing what the outcome would be, we have carried on the agreement. We have signed agreements with all the provinces to carry on the grants for another year, ending in 1955. At the end of that time the grants will cease and we shall no longer be committed to the principle of making grants to the provinces. That is of course apart altogether from the operations of the national physical fitness division which is not covered by the legislation, and at the end of this year we shall have to see to what measure of liquidation we can bring the operations of that division.

**Mr. Macdonnell:** Can the minister say a word about one item here? As I understand it, this act has been at the point of death for some time, and its uselessness presumably recognized, so why are we voting $17,000 for educational and informational publications under this act, even with the explanation the minister just gave us? What is the money going to be used for? The figure of $17,700 for educational and informational publications apparently is under the National Physical Fitness Act.

**Mr. Martin:** These are commitments made last year for various publications.

**Mr. Macdonnell:** These were made last year, but the approaching demise of this act must have been contemplated.

**Mr. Martin:** It was certainly in my mind. If my hon. friend will look at section 4 of the act he will see the extraordinarily wide powers given to the national physical fitness council, powers that extended to not having to report to the Minister of National Health and Welfare, although the latter was obliged with respect to some of their commitments to seek a vote in this parliament.

**Mr. Harkness:** I do not think the minister's explanation is satisfactory. Although the act has been repealed, apparently the same amount of money is being voted to carry the thing on as when it was in full operation last year. Surely if the act is expiring rapidly and if this is still being continued to some extent because of the agreement with the provinces, this $17,700 for educational and informational publications and the next item of $7,300 for educational and informational material other than publications, are not required this year and therefore should be dropped.

**Mr. Martin:** I cannot say any more than I said a moment ago. Agreements with the provinces are not to run out until 1955, and this was an estimate of what was formulated in the light of a continuing obligation. That obligation comes to an end in 1955, when we shall be in a position to deal with this particular item.

**Mr. Harkness:** Does the agreement with the provinces call for an expenditure of $25,000 for educational and informational publications and other informational material?

**Mr. Martin:** The commitments made last year do.

**Mr. Harkness:** The minister says there was a contract. Is there any contract or agreement with the provinces that $25,000 worth of these publications and other educational material will be supplied? Either there is or there is not. What are the publications?

**Mr. Martin:** Some of these are publications we had in the process of printing, bills for which are coming in currently. I cannot give my hon. friend the names.

**Mr. Harkness:** Bills are coming in currently. Are they against last year's operations?

**Mr. Martin:** Yes—some are.

**Mr. Harkness:** Surely the department is not going to ask for another $25,000 for publications unless they have an agreement with the provinces that they must supply them. The minister has not told us that they have any agreement that they must supply those publications.

**Mr. Macdonnell:** I want to emphasize the same point. We should have here a definite contract produced, a statement that there is an obligation clearly existing which cannot be got out of, that we have to go ahead and spend this money. After all this act is quite dead. These expenditures are covering a year, only two months of which has elapsed. Unless we made a firm contract with a province on the basis of which it is going to go ahead and incur expenditures, regardless of the termination of this act, then surely the hon. member for Calgary North is right, and we should have distinctly before us what it is, and this item should stand over.

**Mr. Fairey:** May I say a word on this vote? Since I had something to do with the operation of this particular act may I suggest that in certain provinces the act is still in effect, and the obligations of both the dominion and provincial governments continue until those agreements expire. Therefore the expenditures that were estimated for last year, let us say, in the province of British Columbia, will be duplicated in the coming year because the act is still in effect in that province. That is why the same amount is required in the estimates this year as last year, and will be so required until the agreement expires.

**Mr. Harkness:** That does not meet the question at all. I asked the minister definitely whether there was a contract to supply $25,000 worth of those educational publications, and he has not yet said there is a contract.

**Mr. Martin:** I have said there were certain commitments. There were no contracts in the sense of a consideration passing from one party to another, but we have verbal understandings with the provinces in connection with these publications. We are writing to the provinces seeking to extricate ourselves from the obligation in the light of our over-all policy with regard to the act. It would be certainly wrong on my part, having in mind our general intentions, not to have budgeted for these amounts, in view of these understandings with the provinces.

**Mr. Harkness:** Has the minister succeeded in extricating himself from $5,000 or $10,000 worth of these expenditures?

**Mr. Martin:** I am hopeful of doing so. All I can say is that in one breath I am accused of overexpansion and overspending and in another breath on another item I am accused of being too parsimonious.

**Mr. Harkness:** I have not accused the minister of one thing or the other. This is the first time I have said anything on these estimates today and what the minister means by this statement in reference to the questions I asked I do not know, but his remarks are completely inapplicable. He still has not given any satisfactory explanation of this item.

**Mr. Macdonnell:** I want to know what the minister can give us on this. He says he is trying to extricate himself. So far so good, but in the meantime I do not think we should vote this rather tidy sum without some indication as to how much of it is really being used. The interpolation from the hon. member from Victoria did not seem to me to add anything to the situation. I can understand if there were commitments which had to be carried out but the minister has indicated already that having regard to the situation he is certain to cut down some of the commitments due to the fact that the act is no longer in operation. But that is an unsatisfactory situation.

**Mr. Knowles:** I wonder if I could help to extricate the minister from the difficulty in which he is—

**Mr. Martin:** The minister is never in any difficulty from which he has to be extricated.

**Mr. Harkness:** You have not told us how the extra amount is to be allocated.

**Mr. Martin:** I cannot give understanding.

**Mr. Knowles:** I trust these two hon. members will pardon me if I interrupt their tête-à-tête. I think I might perhaps clarify the situation by reading clause 2 of Bill 475 which we dealt with a few days ago. This was the bill repealing the physical fitness act. It reads as follows:

> Notwithstanding section 1, the said act continues in force for the purpose of carrying out and giving effect to any agreement made with a province under section 7 of the said act and in effect at the coming into force of this act.

Does that not cover the situation?

**Mr. Macdonnell:** That merely indicates that the minister will have the legal right to extend the agreements which are in effect but that is not what we are looking for.

**Mr. Harkness:** The whole point is this, that the next item deals with assistance to the provinces amounting to $157,670.

**Mr. Martin:** These are grants to the provinces.

**Mr. Harkness:** But this is under the National Physical Fitness Act and it is $7,000 more than last year for an act which is now declared to be null and void, and that is in addition to those grants which are more this year than last year in spite of the fact that the act has been repealed. The minister is extricating himself by saying in addition to this he has all these other items for educational publications and he still insists on putting this through when the act has been nullified.

**Mr. Martin:** My hon. friend obviously does not understand the operation. The vote to which he refers deals with contractual obligations entered into between the dominion and the provinces under the National Physical Fitness Act. The other vote has to do with publications and educational material committed to by the national physical fitness council operating under the act. Now the 10-year agreement with Saskatchewan ended in December and that gave us an opportunity of declaring our over-all policy. But in fairness to the provinces and so they would not be caught unawares, and after discussion with them, we agreed to carry on the agreements for one year only and to extend those agreements to the year 1955.

**Mr. Harkness:** If the minister could tell us what was agreed to with each of these provinces in the way of educational publications that might clarify the situation. We will start with British Columbia, Alberta, and then work eastward.

**Mr. Martin:** These are commitments in most instances made by the national physical fitness council and not by the government or Minister of National Health and Welfare. I said a moment ago that if my hon. friend will look at section 4 of the act he will see the very wide powers under which the council acts. First of all, there is the reprint of a book to which the hon. member for Greenwood drew my attention some weeks ago, entitled "Posture's Important When You're Growing Up", $5,000; reprint of guide for leaders, a handbook for voluntary leaders in small communities, $5,000; production in the department of simple folders and leaflets on various subjects such as play areas for children, stage settings, etc., $4,500; recreational facility film strip, $2,000; preview film library service, $2,000 and miscellaneous displays to be used at British empire and commonwealth games, $2,000.

**Mr. Harkness:** There is no commitment to any province in that. This is evidently just a general program laid down in spite of the fact that the act has come to an end and the minister is going ahead with it in any case. In other words, he is going to throw away the money because it is available.

**Mr. Nowlan:** I do not think the minister should try to satisfy us with that pleasant smile of his and by reading that list of publications. He has referred my hon. friend for Calgary North to section 4 of the act but what we are concerned with here are the agreements. And the agreements with the provinces came into effect when the act went into force. That presupposes first an agreement and secondly that it is in effect now. I think the minister should tell us what agreements were made with what provinces. The mere fact that he cracked some jokes about some publications does not mean anything and has no connection with the agreements. We are dealing with agreements which came into effect with the coming into force of the act and I think the hon. member for Calgary North is right and the minister knows he is right. The minister always extricates himself very adroitly from a bad situation. This time he should tell the committee the nature of the agreements which are in effect at this time with the provinces. That is all we ask.

**The Chairman:** Shall the item carry?

**Some hon. Members:** No.

**Mr. Martin:** I have nothing more to add, Mr. Chairman.

**Mr. Harkness:** Mr. Chairman, apparently the situation is that in spite of what the minister has said there are no agreements in connection with this expenditure, and particularly in regard to the publications he is going to go ahead with the program when the whole scheme has come to an end. This story that this is due to contractual obligations just does not stand up because he cannot tell us what these contracts were or anything else in connection with this matter.

**Mr. Martin:** There is nothing I cannot do that I have said I can do and no amount of frivolity on the part of the hon. gentleman can alter that fact. I am prepared to enter into the amusement just as genially and vigorously as he is, but let me tell him when he asks for the agreement that we can make available to him copies of the agreements with the provinces. Indeed I have copies of the agreements made with seven of the participating provinces which terminate in 1955. We can send down to the department for them but I cannot say any more than I have already said on that particular point.

**Mr. Harkness:** The minister seems to think this is a matter for levity. I did not approach it in a spirit of levity and I do not think he has any right to get up here and attempt to get out of his inability or refusal to answer questions by saying that the questions were asked in a spirit of levity. There is nothing particularly funny about $78,000 which relatively large amount is being expended on something which is a completely dead horse.

**Mr. McIvor:** I do not think the minister should run away from his obligations. I think he should stick to the obligation he has made.

**The Chairman:** Shall the item carry?

**Mr. Macdonnell:** No, Mr. Chairman. The minister cannot wheedle us quite as easily as he thinks he can. The minister could undertake to give us the details of these agreements. He has made no statement which would allow anyone to understand what these agreements are. The minister admits there are agreements and we have asked him to tell us what they are. He has not told us and we are being asked to make an assumption. I am not prepared to do that.

**The Chairman:** Shall the item carry?

**Mr. Harkness:** No, Mr. Chairman. I suggest that it be allowed to stand over unless we get further information.

**Mr. Nowlan:** The minister said he could produce these agreements. I think they should be produced, Mr. Chairman. You will also notice that those agreements he has referred to are only agreements under section 7; that is, contractual obligations for the printing of comic books or whatever they may be, these various things.

**Mr. Martin:** Mr. Chairman, I did not say there was any contractual obligation with regard to these agreements. I said the contractual obligation was under the National Physical Fitness Act in respect of grants that are provided by statute to the provinces pursuant to the act of 1943. What I said with regard to commitments was that they were not in the nature of legal commitments. I explained that there was not the usual form of consideration and so on. We naturally do not carry these agreements around with us. I will be glad at some subsequent date to table them. They have nothing to do with this issue. They are in the usual form under which we agreed, under authority of section 7 of the National Physical Fitness Act, to make certain grants to the provinces.

**Mr. Nowlan:** What I say is that we should have tabled the agreements under section 7 of this act with which we are concerned, and no other obligation whatsoever. The parliament of Canada has seen fit to pass Bill No. 475 on the recommendation of the minister. In that bill—it is not yet an act, I suppose, because it has not received assent

—the minister and the department can authorize only commitments or obligations entered into under section 7. If the minister says that these obligations are entered into under section 7, and he is tabling them, well and good. But so far the minister has not said that. I think we are entitled to have the agreements tabled.

**Mr. Martin:** That is clearly the case. I thought I had clearly indicated that I would table them.

**Mr. Nowlan:** No.

**The Chairman:** Shall the item carry?

**Some hon. Members:** Carried.

**Mr. Nowlan:** Mr. Chairman, it is carried subject to these agreements being tabled.

**Mr. Martin:** I shall be glad to table them on Monday.

Item agreed to.

*285.* Assistance to schools of social work, $32,370.

**Mr. Knowles:** I just want to say that I am glad to see this item restored in the estimates. I am sorry that it was missing for a year or two. Can the minister make any comment on the fact that although the item has been restored it is only $32,370 whereas it used to be of the order of $100,000?

**Mr. Martin:** This is only for the province of Quebec. As my hon. friend knows, the former grants were absorbed by the general grants made to universities, a system of allocation that was not acceptable to the government of the province of Quebec. In view of the fact that we were not able to make grants to universities directly from the federal government to the province of Quebec and having in mind the urgency of training in schools of social work, this item was put in the estimates in the amount indicated.

**Mr. Knowles:** Is a corresponding grant to schools of social work in the other provinces included in item 119 under finance?

**Mr. Martin:** They are covered by aid to universities, whatever item it is.

**Mr. Knowles:** That is it; item 119.

Item agreed to.

Health services—
*685.* Administration of the Food and Drugs and the Proprietary or Patent Medicine acts—further amount required, $22,900.

**Mr. Herridge:** I should like to ask a question on this item and to bring a little matter to the attention of the minister. While it came up in the discussion of the main estimates, I happened to be called out for a moment or two. Before I do that, I should like to endorse what others have said in respect of these important estimates coming before the committee at such a late time in the session.

**Mr. Martin:** I fully agree.

**Mr. Herridge:** I am glad to hear the minister say that he agrees. Here is a department spending over $812,000,000. I believe that the minister—and I am quite sure he is willing to do so if there is time—should have the opportunity to explain a great deal of the details of these estimates. That is something which it is not possible for him to do under these circumstances. I am always extremely interested in having an explanation of these important items and I always enjoy the minister's explanations. I must say that I regret that I have not had that opportunity today.

I happened to cut this article out of a newspaper recently. I have not the date of it and I forget which paper it was, but I think it was the *Journal*. I want to bring this article to the minister's attention. It is headed "Raps 'Dishonest' Practice by Drug Supply Houses" and it reads as follows:

> Kitchener, April 8,—(CP)—Dr. John McKelvey, professor of obstetrics and gynaecology at the University of Minnesota, Wednesday criticized the "dishonest" practice of drug supply houses in connection with iron supplied women during pregnancy.
>
> Addressing the Kitchener-Waterloo Academy of Medicine's clinic day gathering, he said only iron salt is needed to combat most anaemias of pregnancy but drug firms insist on mixing in other expensive ingredients.
>
> He said that, as a result, the treatment costs $60 instead of about $1.50.

That is a fairly wide margin of profit. The article continues:

> "These treatments are dishonest and the drug companies know they are dishonest", he said. He added that doctors should share some blame for the situation because they continue to prescribe them after medical science has proved them outmoded.

I do not know whether the minister's officials have noticed this newspaper comment. I would ask the minister whether it has been brought to his attention, whether he can give me any explanation of this statement and whether he will tell us what his department has done about it.

**Mr. Martin:** I could not hear very clearly what was going on. Does this article refer to something in the United States?

**Mr. Herridge:** No. It does not say clearly. It is a gentleman from the United States speaking at Kitchener, but it does not say clearly whether it refers to the United States.

**Mr. Martin:** All I can say is that, as my hon. friend knows, we have amended the Food and Drugs Act. By the way, I may

say that the act will be proclaimed as of July 1. Some of these measures will, I hope, enable us to give a stronger and more enforcing quality to some of the things to which my hon. friend has referred. We are doing our best, at any rate.

**Mr. Herridge:** I will send the clipping over to the minister.

**Mr. Knowles:** The minister answered one question I was going to ask. He has said that the new Food and Drugs Act will be proclaimed on July 1. May I ask him whether satisfactory arrangements have been made for the recruiting of sufficient personnel to carry on the inspection work that will be necessary under the new act?

**Mr. Martin:** Yes, I think we are making progress in that matter.

**Mr. Knowles:** Does that apply in particular to cheese factories?

**Mr. Martin:** I would not say it applied particularly to them, but we are making progress in the selection of inspectors.

**Mr. Knowles:** May I also ask what steps are being taken to administer the sections of the new act having to do with advertising for various products. The minister may recall that earlier in the session I put some questions on the order paper relating to advertisements for toothpastes. As a matter of fact the minister's answers were at least partly satisfactory. They seemed to me to reveal recognition of the fact that some of the advertising of products of that kind is exaggerated, if not misleading. I wonder whether the department has set up whatever staff is necessary to check on this kind of thing and to make sure that our people are not misled with regard to such products?

**Mr. Martin:** Under the Food and Drugs Act we have a division that enjoys generally the full co-operation of the industry in these matters. There are some people, of course, who are abusing the privilege which comes from a co-operative endeavour such as this one we are seeking to establish. But I think that we are making considerable progress in arresting people like that who do not recognize that they have responsibilities to the public.

**Mr. Knowles:** You have good people in this division.

**Mr. Martin:** Oh, yes.

Item agreed to.



DEPARTMENT OF FISHERIES

General services—

*130.* Information and educational service, including grant of $3,000 to Nova Scotia fisheries exhibition, $185,500.

**The Chairman:** Hon. members will find the vote on page 21 of the blue book and the details commencing at page 188. Shall the resolution carry?

**Mr. Drew:** Mr. Chairman, I assume that the minister is going to be present?

**Mr. Harris:** I am present, Mr. Chairman.

**Mr. Drew:** Is the Minister of Citizenship and Immigration going to answer the questions?

**Mr. Harris:** No. I will answer any questions for the moment, but the Acting Minister of Fisheries will be here before the first question is asked.

**Mr. Drew:** Who is the Acting Minister of Fisheries?

**Mr. Harris:** The Secretary of State.

**Mr. Drew:** The old salt. Mr. Chairman, this house should not proceed until the minister responsible is in his seat.

**Mr. Harris:** If we wait for one minute he will be.

**Mr. Knowles:** While we are waiting, I wonder whether I could once again make the suggestion that perhaps for the balance of the evening we could do our own messages and let the page boys go home. It is Saturday night.

**The Chairman:** Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Fulton:** Could we not go home and do our messages too?

**Mr. Nowlan:** Mr. Chairman, with all respect to the Acting Minister of Fisheries for whom we are waiting, unfortunately I was not able to be here when this department was first called but while lying in the hospital I had the opportunity of reading the very interesting, very long and very detailed statement of the achievements of the Minister of Fisheries in administering this department, all of which was interesting and all of which was creditable to his administration, and he is the man who has the knowledge about the situation. After all, the fishing industry is of some interest to people on the east and west coasts of this country, and I think the Minister of Fisheries should be here to deal with it himself and to answer questions. I am sure

the acting minister could convey memoranda to him but that is not good enough in dealing with a department such as this, and I do not think the proceedings should be carried on in that way.

**Mr. McIvor:** Mr. Chairman, I wonder what has got into the opposition tonight. The parliamentary assistant to the Minister of Finance was able to take care of certain matters, as have other parliamentary assistants, so why not let the parliamentary assistant carry on?

**Mr. Drew:** Mr. Chairman, I think it is appropriate that this matter be dealt with immediately. This is the longest session in the history of this parliament.

**Mr. Harris:** By no means.

**Mr. Drew:** If there is one that was longer then I stand to be corrected. I was accepting a statement I saw a few days ago that it was the longest. However, it has been long for no other reason than the complete inefficiency with which the business of the house has been presented during the whole session. There has been a course of planned confusion and over and over again the opportunity—

**An hon. Member:** I do not know what you would do without the *Journal*.

**Mr. Drew:**—to deal with matters of very great importance—

**Mr. Knowles:** Here is the old salt.

**Mr. Drew:**—has been denied by the devices that were followed to postpone proceedings in this house. We now find ourselves dealing with estimates—

**The Chairman:** Order. May I interrupt the Leader of the Opposition to indicate that the Acting Minister of Fisheries is here and that we are now discussing item 130.

**Mr. Drew:** Mr. Chairman, that in no way affects the comments I propose to make.

**Mr. Harris:** On a point of order, if my hon. friend proposes to go on with a general debate about the business of the house it will naturally follow that I will answer him and we shall have a lengthy debate on that point. I suggest we could have that debate much better on another occasion when I am sure more than the two of us would take part in it, and that we might confine our remarks now to the item before us.

**Mr. Drew:** Mr. Chairman, we are dealing with a subject tonight that is of very considerable importance not only to the people of the two seacoasts—perhaps I might say the three seacoasts—but also to the people along the inland waters who are affected by the operations of the Department of Fisheries. There is no valid reason why the minister charged with that responsibility should not be here when we are taking up the items having to do with the Department of Fisheries. The remarks I am making apply with equal force to any other department. Anything that I say is no reflection on the parliamentary assistant.



**Some hon. Members:** Hear, hear.

**Mr. Drew:** The parliamentary assistant, however, for very obvious reasons cannot speak on behalf of the government. On different occasions in the past statements have been made by parliamentary assistants which aroused some comment in the house. The government has been very careful to point out that parliamentary assistants do not speak with responsibility on behalf of the government. It should be remembered that the only assurance hon. members can have with regard to answers given is that the minister is a member of the privy council and speaks on behalf of the government.

No matter what the good will and good faith of the parliamentary assistant may be, he is not in a position to bind the government by his statements. Therefore answers given in the house by any parliamentary assistant do not have the sanction of the combined responsibility of government under our traditional parliamentary system. If we are to proceed on the basis of answers being given by the parliamentary assistant, then in any case where any question arises whether the statement is made on behalf of the government there should be agreement in advance that the item will stand until such time as the minister can be present to answer that question.

**Mr. Pickersgill:** On a point of order, I am temporarily vested constitutionally with authority to act for the Minister of Fisheries in every capacity the Minister of Fisheries has, and I am quite prepared to do so and to accept that responsibility here and now.

**Mr. Drew:** Then is it the intention of the Secretary of State to answer every question in connection with the estimates now before us?

**Mr. Pickersgill:** Certainly not. I will make use of the services of the parliamentary assistant as provided for by parliament when provision was originally made for parliamentary assistants, but I will take the responsibility for what is done.

**Mr. Drew:** No, Mr. Chairman, that is not our parliamentary system. That is not the system that we have been accustomed to.

**Mr. MacNaught:** On a point of order, during the session of 1948 when I was

appointed parliamentary assistant to the then minister of fisheries, Mr. Mayhew, we followed that practice throughout the whole time our estimates were before the house, and nobody raised any objection on that occasion. Mr. Mayhew sat by me. I answered all questions respecting the Atlantic coast and Mr. Mayhew dealt with the Pacific coast. No one questioned the propriety of it then, and in sessions thereafter we followed the same practice.

**Mr. Drew:** The parliamentary assistant will be well advised to let some member of the government speak on behalf of the government.

**Mr. Harris:** Mr. Chairman, may I do so immediately and say that the present situation was well known to hon. members opposite. For something like two weeks now it has been known that on this particular day the Minister of Fisheries would be absent. I have called the Department of Fisheries on at least five or six occasions and it was fully understood that this procedure would be followed. I would expect hon. members opposite to accommodate the leader of the house by warning him in advance if they were not prepared to go on with this particular item at this time. This is the first I have heard of any such argument.

**Mr. Drew:** There was no notice to the house that the Minister of Fisheries was going to be away.

**Mr. Harris:** Of course not. I do not say all these things in public that are said in private, but if we cannot arrange matters in that manner then I am not going to try any longer. There has to be a certain amount of arrangement of affairs and at no time that I am aware of have I been lacking in courtesy to hon. members opposite in attempting to meet their wishes, and in particular with respect to the business for this day.

I quite realize that all hon. members are not cognizant of these things and if they feel that they have not been properly arranged of course this is the only time that they could make an objection, but at the same time I would hope that we could avoid these difficulties before the event rather than at the time. If my hon. friend takes the view that an acting minister, with a parliamentary assistant here, cannot answer, then I must confess that the business of this house will be held up at some length on occasion because I can well recall former occasions when I acted in the absence of a minister on the estimates. This is an entirely new proposition that I am not prepared to argue on its merits at the moment. I would hope we would be able to proceed with the items on the statement made by the Acting Minister of Fisheries that he will accept responsibility.

**Mr. Drew:** Let there be no suggestion there is any breach of understanding or that there is any question about the attempt that has been made from time to time to facilitate proceedings in the house. I, for one, urged that there be a wide understanding between both sides of the house as an alternative to any rigid pattern in dealing with matters of this kind. We now have the minister who informs us he is the acting minister. I would point out that since the time mentioned by the Minister of Citizenship and Immigration we have, on different occasions, been called upon to discuss the responsibility of parliamentary assistants. We are not in any way challenging the statement of the government in respect to them. The position of the government has been that parliamentary assistants cannot bind the government.

My remarks were directed to that point, that it was evident the parliamentary assistant proposed to take up these estimates. The Secretary of State has now stated he will assume full responsibility. I would point out, further, that we do not want a return to the position explained by the parliamentary assistant, where the parliamentary assistant is speaking with authority on behalf of the government. Now that the Secretary of State is prepared to take full responsibility, I think we can proceed. If there is any comment on any specific item which needs the minister's attention, we could defer the item until the return of the minister and we could deal with it on that basis.

**Mr. Harris:** Just so that we will not have any difficulty in this house, it must be remembered that on the last item of national health and welfare I asked one of my colleagues to telephone the Acting Minister of Fisheries to have him here. There was no intention of proceeding with this department until he had arrived. Because the hon. members on the other side were generous enough to pass that final item a little quicker than I expected the minister had not arrived when this item was called.

**Mr. McWilliam:** I wish to make a request of the minister's department that he give further consideration to extending the educational services to maritime fisheries, and in particular a program of education designed to fully inform and bring home to the fishermen the devastating results that will follow if the present tempo of illegal fishing for lobsters, quahogs and salmon continues. We need a process of education that will turn the fishermen towards becoming conscious of the dangers of this procedure and will

enlist their co-operation in taking strong means to stamp out the illegal fishing carried on by poachers, who are a small minority of the fishermen. Such a program would aid in the propagation of the species. The educational program should point out that some of our maritime fisheries are reaching the point of exhaustion, and the co-operation of fishermen is necessary to assure the success of a conservation program.

**Mr. MacNaught:** In reply to the hon. member for Northumberland, I might say that that is a point that is receiving consideration of the department, and has been receiving consideration for some months now. An active program is under way; literature and pamphlets are being prepared and sent out to the various fishing communities showing the effect of catching small lobsters, for example, and the effects that will follow from taking fish that are too small or immature. I assure the hon. member the matter has been given very active consideration.

Item agreed to.

*131.* Markets and economics service, $239,500.

**Mr. Nowlan:** I should like to venture just a comment on this item. As I said on the opening item, I was very pleased to read about the development which had taken place in the industry, with particular reference to this innovation of what I think is called fish sticks or the new method of selling fillets of cod and other groundfish. According to the minister this type had attracted a tremendous amount of attention in the United States. As a matter of fact I have heard from him, and from others, that the demand was so great that the United States buyers were worried about being able to buy larger quantities of this fish rather than being worried about sales.

Having read of that, and heard that, there was a feeling that some of the problems of the fishing industry might be solved, so I was rather shocked to read in the press that apparently representations had been made to the President of the United States by the tariff commission that duties should perhaps be increased on the importation of Canadian fish. I could not reconcile the very glowing picture painted by the minister the other night with this account which I read afterwards in the press. I presume one explanation might be that the recommendations of the tariff commission had taken place before the importation of these fillets had increased to the tremendous extent it did. Either the United States is not as dependent on this as we were led to believe or else the tariff commission has made a serious mistake in making recommendations to the President or else the newspapers are reporting wrongly.

[Mr. McWilliam.]

**Mr. Pickersgill:** Since this is a matter that involves another country as well as our own, perhaps I should answer. I may say that as the hon. member for Digby-Annapolis-Kings has said the tariff commission of the United States is reported to have made a recommendation to the President. As the Prime Minister informed the house on two different occasions, the Canadian government has made very strong representations on this subject. There are some encouraging features about the situation.

No action has been taken by the U.S. administration, though a report appeared in the press that recommendations had been made. In the second place, I was informed by the Minister of Fisheries himself after he returned from Cleveland, where he was the guest of a meeting of the fish trade association, that although a year ago the trade association had supported the application to the tariff commission for a restriction on the importation of these fresh frozen fillets, this year they had refrained from doing so. I understand there is divided opinion in the United States industry. Some of those who do the actual fishing, I understand, are still in favour of protection, but there are a great many United States processing firms who now get a large portion of their fish from Nova Scotia and Newfoundland in block form. Their business would be seriously interfered with if these supplies were cut off. I think we have reason for modest hope that the views we have put forward, and the views that many people in the industry in the United States have put forward, will prevail in this matter.

I certainly hope so because it would be quite disastrous, were the contrary the case, to the riding that I happen to represent, and to the whole Atlantic area. I may say, sir, that what the hon. member has said is quite correct. The demand for these fish sticks is growing more rapidly, I am told, than the demand for any other food product on this continent at the present time. I can assure any hon. member in the committee, on either side of the house, that having eaten almost a pound of them myself for dinner tonight—

**An hon. Member:** At one time?

**Mr. Pickersgill:** Yes, at one time—that they are simply delicious. They taste like fish that has just come out of the water. I strongly recommend these fish sticks to every member of the committee.

**Mr. Nowlan:** I am sure the people of Canada should see the radiant smile on the face of the minister. Were they to do so

they would realize what a wonderful advertisement it is for these fish. I quite agree with him that they are good.

I have one other question. Without going into too much detail in a field into which I do not wish to trespass, can he indicate, either as a result of the experience of similar recommendations in the past, or as a result of inquiries the government has recently made, when one might expect some answer would be given with respect to recommendations made by the American tariff commission to the President of the United States.

**Mr. Pickersgill:** We hope no action will be taken. I think there is one very reassuring thing. I had the record examined recently and I find that the present administration in the United States has not yet accepted a single recommendation that involved action under the escape clause in GATT. I am sure everyone in the committee hopes that record will continue.

**Mr. Michener:** Mr. Chairman, perhaps this is a department into which a landlubber should enter with caution. But being fond of fish, perhaps I may offer that as a reason for asking some questions. I refer to the matter of publications and general publicity in the department. At page 188 of the estimates I find reference to the publication of reports and other material, and the amount is $20,000, the same as last year. Then there is an item for films, displays, advertising and other informational publicity for an amount of $89,700, an increase of about $36,000 over last year. What is the anticipated additional publicity and what films and displays are contemplated. Generally speaking, what is the total of this department's budget for publications and publicity?

**Mr. MacNaught:** The total for the Department of Fisheries is $89,700, and the increase is largely accounted for by the fact that a special film is being prepared relating to fisheries. That accounts largely for the increase.

**Mr. Michener:** Could we have the price of the film, the subject matter and information as to who is preparing it?

**Mr. MacNaught:** The national film board is doing it, and it relates to methods of fishing, processing and marketing.

**Mr. Michener:** Is that for the information of fishermen, or for the advertising of fish products throughout the country?

**Mr. MacNaught:** It is mostly educational.

**Mr. Michener:** What is the total budget of the department, in all branches, for that kind of work?

**Mr. MacNaught:** I have given that figure, $89,700.

**Mr. Michener:** I see that amount in one item; but I find other items for publicity. What is the departmental total?

**Mr. MacNaught:** There are other details throughout the various items dealing with the publication of reports. But that is not in the sense to which the hon. member is referring. The publication of reports is informational publicity. The total amount for the item to which the hon. member has referred is $89,700.

**Mr. Stuart (Charlotte):** Mr. Chairman, there is one matter I should like to bring to the attention of the parliamentary assistant.

**Mr. MacNaught:** On item 131?

**Mr. Stuart (Charlotte):** Yes, I think it can be dealt with here. I can speak on some other item, if that is the wish of the committee.

**Mr. MacNaught:** It will be satisfactory if the hon. member speaks now.

**Mr. Stuart (Charlotte):** Before I proceed to my remarks on this subject I wish to say that I was greatly interested in the discussion which took place tonight when the Leader of the Opposition mentioned the fact that we were discussing a matter which was of great importance to the Canadian people. It is always good to realize that the fishing industry is recognized as a major rather than a minor industry in this country. I am always more than pleased to hear remarks of that kind.

For a few moments this evening I should like to bring to the attention of the department a change which I believe should be made in the lobster regulations, and one which I feel is long overdue. I refer to spawn or berried lobsters which become berried after they are impounded in licensed pounds which are licensed by this department.

Realizing that there might be some opposition to this change I should like to give the committee some information in connection with this industry. Lobster pounds are a great asset to the lobster industry. During the fishing season the operators purchase lobsters to be impounded, or stored, and sold after the season closes. This has a most stabilizing effect. Without these pounds, or storage facilities, of necessity all lobsters would be offered on the open market at whatever price might be offered by dealers in all parts of the United States, particularly, because over 90 per cent of the lobsters we produce are sold in the United States.

One can imagine what would happen in western Canada if storage were not provided for wheat and other farm commodities. The same condition would prevail in the lobster industry without lobster pounds, or the facilities for holding them over different periods of time. Again I wish to make a few comparisons to emphasize the importance of this industry.

The impounding of lobsters by pound operators is a great gamble. You are dealing with live lobsters, a most perishable commodity, unlike farm commodities. Hundreds of thousands of dollars are invested by private enterprisers—not by the government—without any government guarantee as to price, or financial support, or anything else. Should some sort of malady strike the lobster industry, as has happened within the last few years, these operators would be obliged to take the full loss which, as I have said, would amount to hundreds of thousands of dollars.

A few years ago thousands of lobsters died in the pounds of Charlotte county, and in the state of Maine. We have yet to understand why it happened; but it did happen. The operators at that time lost hundreds of thousands of dollars, but the total loss was absorbed by the pound operators. They did not ask for government assistance. No appeal was made to the government in any case for assistance of any kind. They took their loss and stood on their own feet.

When the foot-and-mouth disease appeared in western Canada—and I suggest this is a very fair comparison—a much different view was taken. I am not saying this in any critical sense. Each and every one of us stood in our places in the House of Commons and did everything that was possible to help in that situation. I would do it again if necessary. But I just wish to make this comparison to show that these men today, the private enterprisers in this business, act in a different fashion. It is true that they are trying to make a dollar for themselves, but at the same time they are giving financial assistance to the lobster fishermen of the maritime provinces and they are receiving very little by way of assistance.

Every farmer in western Canada was fully paid for his losses when we had the foot-and-mouth disease in this country; and for that I congratulate the government upon its speedy action. Then when disaster struck the hog raisers in Ontario a year ago, again the federal government came to their assistance and the losses were sustained by the taxpayers of Canada. Again I wish to congratulate the government on the action taken in that connection.



When there is an overproduction of butter in Canada, the government purchases the surplus and furnishes cold storage. At the present time I believe there is about 30 million pounds in this position, with a guaranteed price to the producer on that butter held in storage. Again I congratulate the government on their efforts to stabilize the situation. I could also mention the $20 million which we voted just two years ago when the wheat was under the snow in western Canada. I stood in my place here and voted for that assistance to the farmers. When it came time to seed the next spring it was discovered that less than $1 million was used. Assistance of this kind has never been provided to any branch of the fishing industry.

In this industry it is a case of supply and demand, and those individuals who are making every effort to stabilize this industry receive very little encouragement. During the spring lobster season, which is in operation right now, hundreds of thousands of lobsters go into the pound for storage, to spread the supply over the twelve-month period, rather than putting them all on the market at one time, which would have a very ill effect in so far as price to fishermen is concerned. The fisheries inspector or inspectors supervise the purchase of these lobsters to be sure that each and every one is of a legal size. They are present when the lobsters are placed in the pounds. No berried or spawn lobsters may be purchased or stored in lobster pounds at any time. Every effort is made by the pound operators to comply with this regulation, and at great additional expense to themselves all the males and females are separated and placed in different compartments of the pound. It means an enormous amount of work and a lot of expense.

The approximate date that spawn or berries would appear on female lobsters is known to these owners. If they sell every female before that date and kill them before the berries appear, they have the full support of the federal government; but if some are left until after the spawn appears, any junior officer of the department has full authority to liberate every spawn lobster that may be found in the pounds, without paying the owners one single penny. We must remember, however, that these lobsters were legal lobsters when purchased. Hundreds of thousands of dollars were involved in the purchase of female lobsters during the open season, a legal procedure in every way. They were carefully inspected and passed as legal lobsters by authorized officials of the fisheries department.

In my opinion, once legal lobsters are purchased and placed in pounds they are the property of the owner. No one should have the authority to liberate a single lobster without paying the full price. The department may argue that this would encourage illegal fishing of female lobsters. I have heard that argument used. Illegal fishermen who fish for lobsters do not fish for female lobsters only, and if they catch a berried lobster the berries will be removed before it is sold. This is a very simple operation. But no fisherman is going to bring a berried or spawn lobster to a dealer and sell it. They will be removed before he brings it in. Any illegal lobsters caught in the area in which I am interested are sold on the other side of the border in the state of Maine. There, there is no restriction in so far as the lobster season is concerned. They fish twelve months of the year. It is very simple for fishermen to take their catch over the border at any season, and dispose of it at prices which would be comparable to the prices they would receive in Canada.

The department might also suggest that the change I have suggested would give pound operators advantages which are denied individual fishermen. Again I would say that you were giving the pound operator nothing. It is a matter of justice, and you are giving him the privilege of protecting his investment of hundreds of thousands of dollars.

As I stated just a few moments ago, lobsters are a most perishable article, particularly in cold weather. In the wintertime the lobster is a most delicate thing to handle. The loss sometimes is tremendous. These operators are using their own money. They are building pounds which are of great benefit to every lobster fisherman in the maritime provinces. They purchase lobsters, which are not berried at the time they are purchased. They are placed in pounds. They have paid for them with their own cash. They are impounded legally because they are inspected when they are put in there. But if berries appear on thse lobsters when they are in these pounds fo rthree months, any officials of the fisheries department can go to the pounds and liberate 10,000, 20,000 or 50,000 without paying the owner and the operator one single dollar.

I hope the department will see fit to make a change in this regulation. As I stated at the outset, it is long overdue. These men are free enterprisers. They have done a lot for the lobster industry. They have done a lot for the fishermen of the maritime provinces. I believe they must have some little consideration.

The regulation that we have on the statute books today could be changed very simply. All that it needs to improve the situation is to put at the end of the sentence: "except in licensed pounds". These pounds are licensed by the federal government. The licence fee is paid by the operator. I am not one of the legal profession, but I do believe that if an officer went into a legal pound today and found berried lobsters it would be hard to find a jury in the maritime provinces who would condemn the pound operator. He bought them legally; he impounded them legally and they are his own property. I believe it is time that some consideration was given to these men who are, as I say, free enterprisers, doing so much to build up this industry, and some little encouragement should be given to them.

Before I resume my seat I want to emphasize this once more. We will find some fishermen who will be opposed to this suggestion. I have fished lobsters myself. I have some idea about the industry. I have spent many hours around lobster pounds, putting lobsters in and taking them out. I have seen the loss involved in the handling of lobsters, and I realize the great risk that is taken by these men, these free enterprisers. A regulation that gives a government department authority to seize and release anything that belongs to these men, that they bought and impounded legally, is something that should be adjusted, and adjusted without any great delay.

**Mr. MacNaught:** The matter brought up by the hon. member for Charlotte is one that received the attention of the department about two years ago. At that time the department convened a meeting of all interested parties, but no unanimity could be arrived at. I might say that it is a matter of considerable controversy. The department is prepared at the present time to convene another meeting as soon as possible to see if the viewpoint of the persons opposed to the change in the regulations has changed and, if so, then a satisfactory change in the regulation may be arrived at.

**Mr. Bell:** I have a matter that I would like to bring up. It concerns the salmon weirs in Saint John harbour. I think I can relate it to fish economics and to this item. I mentioned it when the estimates of the Department of Transport were before the committee, but I do feel that some action should be taken. Perhaps it would be up to the Department of Fisheries to press for some remedy. It concerns the weirs on the

west side of Saint John harbour. I understand that they are auctioned off in three-year lots to fishermen by the national harbours board. They set an arbitrary reserve price at this auction. Perhaps they do not have the knowledge that the Department of Fisheries would have as regards the economics of the fishing and as regards conservation, and consequently when the price is not met they simply say: let the weir go, and we will not bother to use it for another three years. Three or four fishermen have brought this to my attention. They feel that a study should be made by the Department of Fisheries of the reserve prices that seem to be set arbitrarily. In some cases they feel that they are much too high. If they could be brought down to lower figures then the weirs could be worked. Some are not as profitable as they used to be in the past but the fishermen feel quite strongly about it because there is some revenue there for them and they do not like to see the weirs lying unused simply because the department really has not the full knowledge of the salmon in Saint John harbour. I wonder if the parliamentary assistant would like to comment on this and say whether he will look into the matter and take some action because if it is left up to the national harbours board I feel the situation will go on indefinitely and these weirs will be of no value in another five years.

**Mr. MacNaught:** I can well understand the concern of the hon. member for Saint John-Albert in connection with these fishing weirs. As he said himself in his remarks, they are on the property of the harbours board but I can assure him the Department of Fisheries will be only too pleased to look into the matter and discuss it in all its aspects with the Minister of Transport.

Item agreed to.

*132.* Administrative expenses of the Newfoundland fisheries board, $25,450.

**Mr. Bell:** I am wondering about the increase in regard to the Newfoundland fisheries board, perhaps merely out of curiosity. But I understand that with the reorganization of NAFEL and the new plans to hand all the marketing over to the fisheries board and hence the Department of Trade and Commerce there will be some changes in the Newfoundland fisheries board. In that event surely the board's duties would be cut down and the administrative cost would be less.

**Mr. MacNaught:** These estimates were prepared last October before the change mentioned by the hon. member for Saint John-Albert took place and any economies made by the changeover will be reflected in next year's estimates.

**Mr. Bell:** Could the parliamentary assistant tell us what the fisheries board will be doing now? To what extent are their duties and expenditures to be cut down? I understood when the announcement was made that the NAFEL organization was being completely changed. I realize this is not a government body but this is quite important and I would like to know what is being left of the entire organization.

**Mr. Pickersgill:** Perhaps I should say a word about this, Mr. Chairman. The functions of the Newfoundland fisheries board with respect to marketing were transferred from the board to the Minister of Trade and Commerce, but it also had other functions. The Fisheries Act has never been proclaimed in Newfoundland and the law of Newfoundland with respect to fisheries is still the old law that existed before confederation. The fisheries are administered through the Newfoundland fisheries board which is an agency of the Department of Fisheries of Canada and it has all the functions of the fisheries department to perform in so far as Newfoundland is concerned, or at least a substantial part of these functions. There may have been a few things not done before confederation that are not done through this agency but most of them are, and the only way in which the board's duties have been lightened is by transfer to trade and commerce of the supervision over NAFEL which, of course, is a private agency, as the hon. gentleman knows.

Item agreed to.

*133.* Industrial development service, $1,000,000.

**Mrs. Fairclough:** Mr. Chairman, as a matter of curiosity I notice that although on the face of it there appears to be a considerable decrease in this item over last year's estimate, I see on looking at the details that although there was $1,250,000 appropriated last year the total expenditure was only $350,000. Despite that the appropriation this year is $1,000,000. I wonder if the parliamentary assistant would care to explain.

**Mr. Pickersgill:** I did not really intend to usurp the function of the parliamentary assistant but as the questions seem to be mainly about Newfoundland, a subject in which I have a lot of interest, I cannot resist the temptation to answer. The fact of the matter is that it was rather expected that certain developments with respect to the fisheries could be carried on a little more

rapidly than in fact proved to be possible last year. As the hon. lady no doubt knows, there was a joint committee set up by the federal government and provincial government under the chairmanship of the chief justice of Newfoundland and they made a report some time during May last year. This vote is not entirely for Newfoundland. There are certain other developments elsewhere, although the major portion of it is used in Newfoundland. The purpose there is to get on with development work in co-operation with the province, but as quite often happens in developments of this kind the planning takes a good deal longer than people expect.

**Mrs. Fairclough:** It seems to me that the minister has succeeded in spreading a nice thick blanket over this item because the amount for this year is still three times the expenditure which they were able to use last year. Just what type of development is anticipated that would run into $1,000,000?

**Mr. Pickersgill:** As I indicated a moment ago, it is not all for Newfoundland. There are some developments in other provinces. But there is one development in particular which is perhaps of more interest to me than most of the others. It is proposed to establish an experimental dryer at a place called Valleyfield or Badger's Quay. I am not well enough acquainted with the geography of the settlement to know where one ends and the other begins, but the hon. member for Grand Falls-White Bay-Labrador, who is a constituent of mine, no doubt knows the area even better than I do. I have seen it from a ship, from the air, and from the ground and it is a very promising area for fishery development. This experimental dryer which is to be established there is going to mean perhaps as much to the salt fishery as the experimental farm means to agriculture, and it is intended to experiment not merely with drying fish but also with packaging and with new methods of preparing the product to see if a higher class of product can be produced which will appeal to a better market than has been the case for salt fish in the past.

**Mrs. Fairclough:** From my rather scanty knowledge of the fishing business it seems to me that this is an industrial project. Or is it a basic government research project intended to aid the industry generally?

**Mr. Pickersgill:** I am very pleased the hon. member has raised that point because there has been a great deal of misunderstanding about this very point in Newfoundland and elsewhere. The federal government does not participate in the financing of commercial plants and the object of this vote is not to set up a government owned industry. It is to assist the fishing industry to develop a new type of plant for the processing of salt fish and to assist in the expansion of the fresh fish industry, and an experiment designed to assist the industry in getting into new and more profitable markets. Unfortunately, because of exchange and other difficulties, the markets for salt fish have been very unsatisfactory for the last five or six years, though there are distinct improvements this year as a result of the agreements with Spain and Portugal and as a result of the improved exchange situation in Brazil, and also as a result of the arrangement my colleague the Minister of Public Works recently concluded with Italy. However, it is felt that there is still plenty of room for improvement in the industry both in producing a good product and in finding good markets and getting what I think is called in the trade "market acceptability". I do not care much for such phrases. It is for the purpose of assisting the industry to improve its methods that this vote is used.

**Mrs. Fairclough:** Either I did not make myself clear or the minister did not quite understand me. I did not for a moment mean to infer that this amount was going to put the government into the processing business or anything like that. What I intended to intimate was that this type of work, if I understand accurately the type that the minister has described, is the type of research that is usually done by the industrial firms themselves. I wonder whether this is a departure on the part of the government. If so, will the knowledge so gained be available to all of the fish packing industries in Canada, whether they are on the west coast or the east coast, or is this something that is primarily for the benefit of Newfoundland?

**Mr. Pickersgill:** No. I will not say it is not primarily for the benefit of Newfoundland.

**Mrs. Fairclough:** Be careful.

**Mr. Pickersgill:** It is not solely for the benefit of Newfoundland. In so far as it is related to the salt codfish industry—and it is primarily related to that industry—I do not think it would be of much benefit to the west coast. But anything that is done by the federal government is done for the whole of the industry. In fact, when I was in Newfoundland last August, after the election—because unlike the hon. member for Hamilton West, I had to do my campaigning after the election instead of before it—I spent a week end at Clarenville. There were half a dozen of the leading fish processors of Newfoundland there at Clarenville the

first evening I was there. They spent the night there and went on the next day to Bonavista where the government has been experimenting with mechanical drying of codfish and has had some quite marked technical success. We are now trying to see whether we can get costs down so that it will be a commercial success as well.

Practically everyone interested in the processing of salt fish in Newfoundland was going down to spend the week end to examine this whole process. I was still at the same hotel when they came back at the end of the week end and I heard what they had to say about it. They went there sceptical. They came back much less sceptical. It is a new process. If it is really successful it is going to be of great help to the industry.

But it is like something else that I was fairly familiar with a long time before I became very familiar with Newfoundland. I lived in Winnipeg when the rust research laboratory was first established on the university grounds there. For a long time a great deal of money was spent without any assurance that it was going to be the immense boom that rust-resistant wheat has proved to be to the wheat industry. It is the same kind of thing that is designed for the salt fish industry.

**Mr. Stuart (Charlotte):** I should like to say a word on this matter. Listening to the discussion and the explanation of the acting minister made me think back to this industry in my own county. For many years the fishermen who are interested in the dried fish industry were obliged to dry all their fish with the sun. They had nothing else to depend on but sunshine by means of which to dry the fish. Along those coastlines we have a great deal of damp weather. We came to the place where the markets were demanding a drier fish than we could produce. The moisture content of the fish which we were trying to cure in the Atlantic provinces did not meet the standards in the West Indies and other countries to which we were shipping dried fish. It became necessary for those who could afford it to instal dryers which are most expensive. I know of men on the three islands in my constituency who are in that business and who were obliged to take what we call the green fish to Saint John or to some other part of the province or of the country in order to have them dried, because they could not afford to put in the equipment which would do it properly.

This matter which is now being discussed is along that same line. In Newfoundland there is a great deal of dampness. The fish they are producing must be dried to a much greater extent than they were 10 years ago or 20 years ago. We do not get sufficient sunshine to cure them. The only alternative is to instal dryers, and they are most expensive. This experimenting which they are doing in my own area—I cannot speak for Newfoundland—has been most helpful to the industry. Today we have perhaps 12 installations of dryers where 10 years ago we had none. As the fishermen are able, they will provide these additional dryers which are most necessary if you are going to stay in the dried fish industry.

I hope that the department will continue on with these experiments in that line. In my opinion items in connection with the biological board and items like the one we are now discussing come exactly in the same category as do our experimental farms in agriculture. I believe these men should be encouraged. If we are going to build up this industry—a thing that I have talked about in this chamber on many occasions—we must provide a better product. When we provide a better product—and that is being done today; the product today is much better than it was two years ago or five years ago—a great many of our worries in connection with the fishing industry will be solved, in my opinion.

**Mr. Michener:** Mr. Chairman, I do not want to detract at all from the assistance that is being given to the fishermen. I see that the next item is a bounty of $160,000. On looking into the bounty I find that it is paid not for catching predatory fish or something of that kind—

**Mr. Pickersgill:** I rise on a point of order, Mr. Chairman. Is the hon. gentleman speaking on item 133 or on the next item?

**Mr. Michener:** On item 133.

**Mr. Pickersgill:** All right.

**Mr. Michener:** I am not sure. I am speaking on this item of $1 million.

**Mr. Pickersgill:** That is right.

**Mr. Michener:** The bounty which I find in the public accounts was paid not for the destruction of predatory fish or the catching of big fish but for the—

**Mr. Pickersgill:** I am afraid the hon. member will find that the bounty has nothing to do with the item that is now under discussion.

**Mr. Michener:** I appreciate that fact. It is just a preliminary expression of good will towards the fishermen. I have no objection to it. I appreciate it is paid to the fishermen and boat owners directly. The item under discussion for $1 million is described as providing for technical services to fishermen

and fishing industries. In this chamber I dare say members have become accustomed to very scanty descriptions being given, but when public funds to the amount of $1 million are to be voted on a resolution which is in such indefinite terms as that, particularly after the explanation which has been made by the minister, it seems to me that it is time for the committee to intervene. I would suggest that this item should not be passed in its present form.

Perhaps my nature is unduly suspicious but my suspicions have not been allayed by the statement of the acting minister, or by the fact that the acting minister is here to deal with this item, or by his statement that his electioneering goes on after the campaign. I would be disposed to question this item as being something in the nature of a blank cheque for the acting minister, and it is a fairly substantial one. It seems to me that if the committee is to be asked to provide funds for technical assistance to the fishing industry, for some specific project, it is all very well; let us pass it. But if it is to be described in general terms and put into effect, it leaves the matter open really for the department to spend this money in any way it sees fit. Particularly as this item appears to be intended largely for the province represented by the acting minister, I suggest that it should not carry without more detail being given.

**Mr. Ashbourne:** I should like for a moment to speak on this item because I realize what has happened since Newfoundland entered into confederation and became a part of this great Canadian nation. At the time the discussion was going on as to whether or not Newfoundland would become part of Canada one of the arguments used was that in becoming part and parcel of this great nation we could look for greater expansion and also for greater aid and help in industrial matters such as the fisheries. I do not want to repeat what I said the other night when the Minister of Fisheries was here. I realize that tonight he is in Newfoundland, and while he cannot answer questions of hon. members of the house he is answering the questions that are no doubt being put to him by various fishermen there who are greatly interested at this time of the year. Only this morning I received a telegram from Newfoundland saying that the fish had struck in there. Although there has been plenty of ice on the northeast coast from Labrador down to cape Bonavista for several weeks, it seems that the ice has moved off now and we are glad to hear that the fish have moved in. In fact one trap set and hauled yesterday morning produced 25 barrels of fish which was good news to the fishermen and good news to me because the season is rather advanced.

The point I should like to make is that we were hoping that by becoming a part of this great nation we would receive every assistance possible in order to utilize to the fullest these great reservoirs of food off the east coast in the Atlantic. I realize what an important item of food fish is and how necessary it is for the body to have a certain amount of protein. We realize that the eating of fish is an admirable way of providing the necessary protein for the body.

But in order to do this thing scientifically, in order to get the very best advantage and the greatest amount of money out of our food resources, naturally some experimentation must take place. I think the Acting Minister of Fisheries has already explained the situation very well. This vote is provided in order to carry on experimentation. Our traditional markets were in the Mediterranean; for centuries past they were provided with fish by the fishermen of Newfoundland in order to supply their needs. That was also true of the West Indies, and there was a time when Newfoundland shipped something over 400,000 quintals of fish to Brazil in one year.

We know that a lot of that has changed with the changing times. Today we have refrigeration and we know that the food value of fish is much better in the fresh form than when it is salted, put out to dry and cure and has to withstand the various vagaries of the weather. The salted fish had to be transported for thousands of miles, then at times taken into the hills and delivered to the people who had to eat the fish perhaps months after it had been caught.

In order to change this situation and bring about a new era through a revolution, so to speak, in fishery development, naturally some money had to be spent. I believe that the committee will agree that this is a move in the right direction. By having mechanical dryers, which have been explained by the hon. member for Charlotte, they will be able to do away with the old method of the fishermen and their wives spreading fish by hand. Now the process will be mechanized, and it is hoped that a larger volume of fish will be caught and processed and a greater number of dollars brought into the Canadian economy than was the case with flake dried salted fish. The end result before was a rather indifferent quality of fish, and we are hoping now that there will be a greater standardization of quality and thus a better article of food.

Of course this can only be done on a large scale by having such things as mechanical

dryers. We have been delighted to hear the results of the efforts of the Minister of Public Works and the deputy minister of fisheries in concluding trade agreements in Europe. We are delighted that they have made agreements to sell fish from Newfoundland to Portugal, Italy and Spain. We realize that we are dependent upon these foreign markets, but we find that today the situation is different from what it was before we entered confederation because we now have to sell for dollars where before we could sell for sterling. We could arrange sales in sterling in the soft currency markets. The result has been that we have found that there has been a certain lessening of the exports of fish because of the inability of these countries to provide dollars to buy our codfish. Therefore we have to change from salt fish to a certain degree and move in the direction of fresh fish.

There are physical handicaps which will prevent the full utilization of fresh fish plants on the whole of the Newfoundland coast. There are areas where it will still be necessary to salt the cod as it is caught. As I said before, the purpose of the experimentation is to perfect mechanical dryers operated through power. The exposing of Newfoundland fish to the beneficent rays of the sun makes it a very good article of diet. It may be possible through experimentation to develop a method of treating the fish with ultra violet or other rays if the necessary electrical power is available, but these things are matters for research and experimentation.

Personally I am very glad to see this vote. As has been pointed out by the hon. member for Hamilton West, the full amount of the vote was not expended last year. I think we can take it for granted that all expenditures under this vote will be carefully scrutinized and that it will react to the benefit of Newfoundland and other fishermen.

**Mr. Pickersgill:** I think I should perhaps say a word in reply to the hon. member for St. Paul's. I think the best way I can do it is by reading two or three extracts from a statement made on October 1, 1953 after a joint discussion between representatives of the government of Newfoundland and the federal government. It reads in part as follows:

> The policy of the federal government was outlined as one of undertaking experimental and exploratory work in determining location of fish populations; of experimenting in mechanized handling and processing of light salted fish on which so many shore fishermen depend; of providing normal federal programs such as the construction and maintenance of harbour works and aids to navigation. The federal government will not finance the construction of commercial plants; the facilities of the industrial development bank and other national legislation like the Cold Storage Act are of course available in Newfoundland as elsewhere.

[Mr. Ashbourne.]

That is a general statement of policy. The actual operation of the program in Newfoundland for this current year was indicated to be as follows:

> 1. The construction of a breakwater, necessary dredging, wharves and breastworks—

Some of these things of course are not in this vote but are in public works.

> —as the federal part of a plan for all-round community development at La Scie that will cover salt and frozen fish and fish meal operations.

It is not expected to do that in one year. It is going to be installed over several years.

> 2. Construction and operation of a federal experimental salt fish plant in the Valleyfield-Badger's Quay area to handle northeast coast light salted fish.
>
> 3. Small-scale centralization and partial mechanization of individual fishermen's curing operations at Quirpon, to serve the fishermen of that area; a similar small-scale development is being planned for Seldom-Come-By.

That place is in my constituency, but is not my motto.

**Mrs. Fairclough:** You might consider it.

**Mr. Pickersgill:** I continue:

> The extension of small community development to other places will depend upon the success of these experiments.
>
> 4. Construction of a fishermen's wharf in St. John's to serve a fresh fish market, which will be provided by provincial or local authorities.

The market itself will be provided locally. Certain indications were given of the normal federal services which would be provided to speed up development.

In order to make this not seem as though it were entirely Newfoundland, perhaps I should complete my answer by giving a break-down of the other allotments. They are as follows: Technical services to fishermen and the fishing industry, $196,000; demonstration and exploration in Newfoundland—that is in connection with long-lining, a certain type of fishing that is still in the experimental stage—$130,000; fish drying experiments, Bonavista, Newfoundland, $200,000; economic survey, Newfoundland—that has been going on for a number of years and this is just this year's commitment—$12,000; herring exploration, maritimes, $40,000; scallop exploration, maritimes, $50,000—I might note there that a new bed was found in the St. Pierre bank last year; shrimp exploration, British Columbia, $12,000; the Valleyfield fish drying experiment I have already mentioned, $300,000; savings gear experiment, Newfoundland, $10,000; midwater trawl development, British Columbia, $10,000; fish liver hydrolysate (maritimes), $20,000; motorized boats for schooners, maritimes, $20,000; tunnel-stern boats, maritimes,

$5,000. In Newfoundland, I may say, the term "maritimes" is used to mean the other three Atlantic provinces.

**Mr. Michener:** I should like to say that my objection was not to the program which the acting minister has now outlined and which I am very glad to have on *Hansard*. It does give some reasonable explanation for the very large sum. My objection was the blank cheque. The acting minister will agree with me that it is the duty of the opposition not to assume this blank cheque is going to be filled in with the appropriate items.

**Mr. Pickersgill:** I quite agree with the hon. gentleman.

**Mrs. Fairclough:** I am interested in this Valleyfield project. I understand that the minister has inferred it is going to cost considerably more than the money provided this year, which is $200,000, if my memory serves me well. What does the minister expect the total cost of this project will be when it is completed?

**Mr. Pickersgill:** It is expected to complete the plant within this fiscal year, and $300,000 is the estimated cost of the complete plant.

**Mrs. Fairclough:** Has part of it already been built?

**Mr. Pickersgill:** No, none of it has been built. The site has been chosen and some of the marine works have been surveyed. The last report I had on it was that it was hoped construction could start probably in October. It is not desirable to start construction except for the outside shell until the end of the fishing season because one of the incidental advantages of this kind of program is to do the work, so far as possible, during the winter season when the fishermen cannot fish. I am sure all hon. members will approve of that.

**Mrs. Fairclough:** There is still an item in public works estimates referring to this project.

**Mr. Pickersgill:** There are some marine works required.

**Mrs. Fairclough:** Does the minister know how much the over-all project will cost?

**Mr. Pickersgill:** I have not got it at my fingertips, although I should have because it is in my riding.

Item agreed to.

Field services—

*134.* Field services administration, $701,900.

**Mr. Nowlan:** On this item of field services administration, protection branch, I should like to say a word about a matter which was raised on the first item and discussed at some length. Hon. members may recall that the matter of the operation of trawlers and draggers off our coastline waters was raised at that time, and without repeating what was set forth in *Hansard* then I may say that we know there were two different conditions under which our trawlers operate. The small ones operated within three miles of our coastline or up to three miles from our coastline, and United States vessels can operate within three miles of our coastline. Canadian-built draggers and trawlers over 65 feet are compelled to remain out over twelve miles from our coastline. This matter was discussed at some length in the house and naturally different views were expressed with respect to it. Some hon. members took the position that this was an injustice to Canadian trawlers in the sense that United States vessels were allowed to operate within three miles of our coastline.

The suggestion was made, therefore, that our department should abrogate this decision and allow Canadian trawlers also to operate within three miles of our coastline. As you are aware, those trawlers which are built with Canadian funds have a condition endorsed on their certificate saying that they must operate outside the twelve-mile limit. I would say, superficially, that that appears to be a proper condition and should continue, whereas some others say that since United States vessels operate within the three-mile limit these Canadian trawlers should also be permitted to operate within the three-mile limit. My answer to that is this. This regulation was not promulgated for the benefit of the trawler operators. It was done to protect the inshore fishermen. Although we could not control the United States trawlers under international law, we could control our own. Our government said, and I say quite properly, that these trawlers should be kept beyond the twelve-mile limit.

I want to express my own protest against any suggestion of abrogating our decision. At the moment the situation for the inshore fishermen is not happy. These United States trawlers are operating within the three-mile limit of our coastline. Sometimes on a foggy night or perhaps if it is not so foggy but the patrol boats are not very near, these United States trawlers quite often can be seen within three hundred yards of our coastline. Our lobster fishermen lose their traps and our inshore fishermen lose their gear because of the operation of these boats. My suggestion is that instead of abrogating this decision so the Canadian trawler can operate within the

three-mile limit, we should through negotiations through the Department of External Affairs enter into some arrangement whereby the United States trawlers can be kept farther out instead of permitting the Canadian trawler to come closer to shore.

I realize that that is not something that can be accomplished overnight. I am sure the acting minister knows of operations that have taken place in certain countries under which new principles have been laid down for the establishment of inland waters. I believe these new principles are now before the international courts or they have been referred there for settlement. It is quite possible that in the relatively near future we may find international law will permit us to extend our inland waters farther out than the three-mile limit, possibly by adopting the headlands method or the cape to cape method as one country has done. Various expedients have been adopted. If we could establish a different basis for outlining our inland waters than is presently the case, then I believe we would be able to protect our fisheries. I am sure the hon. member for Charlotte would agree with me in that.

I would point out to the Secretary of State, who has more than an academic interest in this because he knows the political history and background of this country, that the particular waters in which he is interested are around Newfoundland, but the ones in which I am interested are in the bay of Fundy.

The situation with respect to that particular water is different from that of any other water on our coastline. Years ago when the British government was in charge of our external relations it took the position that the bay of Fundy formed part of the inland waters of Canada. They maintained that position. And one can go back to the records of the old discussions and the exchange of correspondence between London and Washington and find that position reiterated time and again. The Americans, on the other hand, said it was part of the high seas, and refused to accept that policy.

In the end it was agreed to disagree. Great Britain refused to concede that it was part of the high seas, and the Americans refused to concede that it was part of the inland waterways of Canada. And there the matter stood for many years. One might suggest that there is a proscriptive right; at least the Americans have been allowed to come into those waters. And I am not suggesting for a moment that they should be excluded.

But I do say that our Department of Fisheries should take a very dim view of any suggestion to allow American trawlers to operate within three miles of our coastline. This matter should be kept in abeyance for a few more years until the international situation is cleared up. Because the plight of our inland fishermen today is serious indeed. They cannot operate against the operations of these trawlers coming along the coastline. I know one must not stand in the way of progress. I am not suggesting that in the matter of our high seas fisheries, or deep water fisheries, we should go back to the schooner days, or any of the methods which were used 20 or 25 years ago. But there are along our shoreline little villages and large villages in which there are thousands upon thousands of people who have lived there for generations, and who are living there today, and whose sole existence is being threatened by the operations of these trawlers.



This is not only true in the bay of Fundy. I see the hon. member from Halifax in his seat. I am sure he will agree with me that, for instance, in the waters of St. Margaret's bay, the same situation exists. Last year I was approached by many fishermen in that district who wanted protests raised with respect to this. They said they were sitting on the shore with rifles in their hands taking pot shots at American trawlers coming within the waters of St. Margaret's bay.

I am sorry to have spent as much time as this at this late hour, but I was rather intrigued by the suggestions which were made. I say it is a matter of absolute injustice to thousands of people along that coast line, and I wish to express my protest again with respect to a suggestion which was made in my absence.

**Mr. Bell:** Mr. Chairman, I have a few questions to ask on the subject of conservation. I shall not speak about the general subject of conservation, because we all realize the importance of it. However we are worried about two or three of our fish products in the bay of Fundy.

First of all, I should like to refer to the clam industry. I am referring particularly to the soft-shelled little neck clams. In Charlotte, and to a lesser degree in Saint John county, there has been a serious depletion in clams. I understand various meetings were held last year asking for a closed season in this clam industry to which I have referred. It was the unanimous opinion of a meeting held in August of 1953 that a closed season should be demanded. I say that we are worried about the serious depletion of clams, and I am wondering what new action has been taken or what inquiries have been made.

I realize that these regulations changes are controversial. Can the minister tell me the position as to the possibility of closing the season for clams?

**Mr. MacNaught:** This question is now under study by the research board, and officials of our department. No firm decision has been made in the matter, but it is receiving very intensive consideration at the present time.

**Mr. Bell:** I should like also to refer to the lobster industry, with which the hon. member for Charlotte dealt earlier. In this connection the worry is the same, and concerns undersized lobsters. Perhaps I might read a headline which would explain the situation. This is a headline appearing in the *Telegraph-Journal* of Saint John, stating "Maritime Lobster Fishermen Want 'Get-Tough' Policy Used Against Poaching, Taking Undersized Fish". Then the article goes on to explain what happened at the meeting. It says that representatives from the three maritime provinces asked federal authorities for stricter enforcement measures that would deter an increasing black-market operation, which has created a dual price structure on lobsters.

Again I would ask what new action is being taken in connection with the lobster industry. I realize these are continuing problems, but unless new action is taken each year the thing goes on and on, and nothing is done—and then we will not have an industry.

**Mr. MacNaught:** As the hon. member for Charlotte has said, this is a continuing problem and one that has been bothering the department for many years. This year a greater effort was made to train the protection officers in the better enforcement of their duties. I think, if we may judge from letters we are receiving at the present time in the department, a better job is being done this year than has been done for many years. At least we hope that is so. But, as the hon. member has mentioned, it is a tremendously difficult job. There are so many ways of circumventing the protection officers, and it is such a lucrative business, that the incentive for illegal practices is very great.

**Mr. Bell:** Then, I should like also to refer to the small herring industry. I have here a report which indicates that small herring taken in New Brunswick waters, or waters of the bay of Fundy, are used in the United States for fertilizer and oil. This may be surplus; it may be a wasted part of the industry that would not be sold. But it seems outrageous to me that our good fish, particularly the small ones, are being commercialized in this way in the state of Maine, and indeed throughout the New England states .

I should like to hear whether any investigation has been conducted into the matter, and whether there is any truth in this report. If so, what measures are being taken to correct this serious outrage?

**Mr. MacNaught:** I should suggest that it would be difficult to prevent fishermen from selling where they can get the best price. I think the problem is one of economics. If the fishermen find it more profitable to dispose of their fish to American processors, then I do not think we would be justified in interfering.

**Mr. Bell:** That was not my point. It is not so much a matter of economics. I am simply saying that this procedure does not seem right. Perhaps if better marketing prices could be obtained for these fish they would not have to sell them as surplus in that way. I take it that the price offered for the herring is not a competitive price under present market conditions. It is simply a left-over price that is given.

In other words, when they see that the herring catch cannot be sold, they dump it on the market in the United States. I am simply suggesting that the whole problem should be investigated, and then it would not be necessary to waste the catch in this way.

**Mr. Stuart (Charlotte):** I should like to say a word on that point. There is no doubt that last year thousands of tons of small sardines were sold for fertilizer. They were sold in that way because they were too small for canning purposes. When the fish struck on the coastline they were mixed with silver hake, squid and other fish of no value at all. Our fishermen who had waited four or five months to make a few dollars could see a chance to make a few dollars by the sale of fertilizer. There are two sides of the question. Some will argue that small fish should not be taken out of the water. The man who needs a dollar argues, they are mine; I have caught them and I feel I should be given the opportunity of disposing of them if I can get something for them. Thousands of tons of what we would call brit, small herrings, went through as fertilizer. If the department should come out and say to the fishermen, you have got the fish but you cannot sell them, it would be a tough one to put over with them.

Again, these small fish would have been big fish some day and would be worth a lot more money so that the value would have been very much greater. These are the two sides to the question. It is one that would be most delicate for the Department of Fisheries to deal with, I would say.

**Mr. Fulton:** Mr. Chairman, I feel in somewhat the same situation as the hon. member for St. Paul's in that it is perhaps unusual for a dry bob—I think that is the word one might use—to get mixed up with the fisheries estimates. But I want to transfer the discussion to the Pacific coast for a moment, but not quite to the coast. Any complaint I have relates to the protective regulations which at present prevent sport fishing for certain types of salmon in our inland waters. It has been a sport for many years in certain reaches of the Fraser river, as well as the Thompson river, to fish for the salmon as they come up the river and while they are still in good condition. That is some considerable time before they reach the spawning beds, at which time they would not of course be fit for consumption; indeed, they would not be any sport to catch.

I might say that I have taken this matter up with the department but regret to have to report that no conclusion has been arrived at. Last year a notice was posted at Lillooet, British Columbia, which is in my riding and where there is quite a favourable stretch of water for fishermen. This was over the printed signature of the deputy minister. The regulation is dated March 2, 1953 and prohibited everyone except an Indian from fishing for, catching or killing a sockeye, pink or chum salmon by any means in the non-tidal waters of the province. In my correspondence with the department I pointed out that in the first place when you are fishing for these types of fish which are legitimate to catch you are fishing with a lure, and unfortunately the sockeye, chum and pink salmon are apparently unable to read the deputy minister's notice, and therefore some of them are ill-advised enough to take those hooks. The notice goes on to say that anyone taking such fish shall return them to the water immediately and if possible uninjured. When you tag a twelve-pound or a fifteen-pound salmon and get him in your boat where you can unhook him and possibly have to gaff him in the process, it is rather difficult to return him to the water uninjured.

**Mr. Knowles:** You are not even uninjured yourself.

**Mr. Fulton:** As I pointed out in the correspondence, firstly it is impossible to avoid hooking these fish if you are fishing for this species which you are allowed to fish.

Secondly, the result of such regulations, if enforced, would be to deprive anglers in the interior of a perfectly legitimate sport. They are fishing for fish in good condition. Thirdly, the type of fishing which was described was fishing with lures, and not jigging or gaffing. It was genuine sport fishing which was the only type sought to be exempted from this regulation.

Fourthly, the enforcement of the regulation could only have the effect of ensuring that there would be returned to the water a number of fish which were bound to die.

In their reply the department made the point that the fish were on their way up to the spawning grounds and that owing to the increase in population and the opening up of certain areas of the province it was found that increasing numbers of those fish were being caught. They go on to say:

> Reports of increasing evidence of mutilation and destruction of salmon on or approaching the spawning grounds made clear the need for additional special protection for these spawning stocks.

They also said that in their opinion these particular types of fish, that is, sockeye, pink and chum salmon, are not sport fish. I referred the matter back to the angling association which had taken it up with me and asked them for their opinion, and they report as follows:

> In our opinion here, the sockeye is a sport fish. It takes a lure. It treats the fisherman the same as other fish do in that if he has not got the proper lure on his line, then no fish. It is quite true that some are snagged. This of course can and has happened when fishing in lakes and in the salt water. We can produce concrete evidence that at least 60 per cent of the fish are caught by the mouth.

This indicates of course that it is genuine sport fishing. The letter goes on:

> You can rest assured that at least 99 per cent of all the fish we have caught by angling are in a prime condition. It has been found that those that are not in a prime condition will not take the lure.
>
> I personally have had present persons who are in the fish canning business when a fish has been landed. The expression used by them was: "These fish are in prime condition, as good as we get on the coast.

The department promised to look into it and bring it to the attention of the minister on his return to Ottawa. I regret that I have not had any further answer. I hope that they still have the matter under consideration, but I would add in conclusion that it seems to me to be a matter that justifies review because I hardly think that the number of fish taken by genuine anglers could do conservation any harm. I am not talking about netting or those who may be prepared to

indulge in improper forms of fishing and try to sell them commercially. That can easily be done. It does seem to me unfair that a perfectly legitimate and well-recognized form of sport fishing should be denied to those who live in the interior of our province and who, if this is denied to them, are going to be condemned to eat canned salmon for the rest of their lives.

**Mr. MacNaught:** This is purely a problem of conservation. I can assure the hon. member for Kamloops that it is under consideration at the present time.

**Mr. Fulton:** I say this with due respect; the simple fact is that I took this up first last August, and I would venture to suggest that the consideration must be approaching some finality at the moment. I hope the parliamentary assistant will assure me that we can expect a decision shortly.

Item agreed to.

Protection branch—
*136.* Construction or acquisition of buildings, works, land and new equipment, $490,000.

**Mr. Nowlan:** This item deals with the construction of works in connection with the protective services. I should like to draw the attention of the parliamentary assistant to a matter which has achieved considerable prominence in the press in the maritimes within the last few weeks. I am very sorry indeed that the minister himself is not here, because when he was here and replied to the various speeches which had been made, as I recall it, he gave a lecture on what he termed the birds and the bees, and he directed it primarily to the hon. member for Notre Dame de Grace. If the minister were here tonight, and if he had read the press on what has happened in Nova Scotia, it might be advisable for him to write a second volume on the birds and the bees and advise us more explicitly than he did that night.

At any rate the department has supervised the construction of a fish ladder at a hydro dam on the Gaspereau river. For some strange reason, after the fish ladder was put up it was found that there was not enough water going down the ladder to enable the fish to go up. I do not have to tell you, Mr. Chairman, that a fish trying to go up a dry fish ladder is busier than a one-armed paper hanger with the itch. He does not accomplish much more. The result was that there were thousands and tens of thousands of papa fish and mama fish swimming around at the mouth of the ladder.

There was a long line waiting to go up the ladder. The mama fish, being in that condition euphemistically known as a delicate state of health, were rather large and slow and they stayed relatively still. The papa fish being more slim and active managed to swim away. In the end departmental officials got worried about it and tried to encourage the mama fish to go up the ladder. But they would not go because in fact there was not enough water. So they obtained trucks and tin cans and nets and tried to scoop up the fish. As I said, the mama fish being rather slow did not get away and they dumped them into the tin cans, put them in trucks and drove them up around the ladder and put them back in the water again. Many of the papa fish, being pretty active, got clear. The very interesting question being raised now down in Nova Scotia is what sort of volume the minister would write now on the affairs of the birds and the bees, and they are wondering whether he got enough papa fish in the tin cans and whether the mama fish in the tin cans were very much use after being put in the tin cans. It is questioned whether the mama fish were very useful after being put in the cans.

This raises a very interesting problem. I wonder how many hon. members saw the last issue of *Weekend* magazine, which was carried in most newspapers across the country, for it showed some coloured photographs of the Gaspereau fish caught in the Gaspereau river, which happens to be in my constituency. The farmers there with their scoop nets actually work for a few weeks in the spring and some years make as high as $10,000 in catching the Gaspereau fish going up the river. If two years from now there are not going to be any fish coming up the river, the farmers who have hitherto earned a fair competence from the fish in that river are going to take a very jaundiced view of the situation.

You can speak about it in a humorous way, Mr. Chairman, but after all this is a serious matter. I think quite frankly it reflects on the service in some way. The fish ladders should certainly be constructed in such a manner that water would be flowing down at all times. The fisheries officials should have seen to it that some remedial steps were taken because there might be almost irretrievable damage done to this most valuable industry which means tens of thousands of dollars to the people in my own constituency. I do hope the minister will see that something is done about this. I know this must have been brought to his attention because it got headlines in the press for some days and the news item was spread all over the country. Farmers came from other parts of the country hoping to scoop up the fish. This is a serious situation and I hope it will be rectified before another year has passed.

Item agreed to.

*Business of the House*

**Some hon. Members:** Ten o'clock.

**The Deputy Chairman:** Is it the wish of hon. members that we rise and report progress?

**Some hon. Members:** Yes.

**The Deputy Chairman:** May I just confirm that resolution 136 is carried and resolution 137 is the next one to come under discussion.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris:** Mr. Speaker, earlier this evening there was a slight exchange between the Leader of the Opposition (Mr. Drew) and myself with respect to whether this was the longest session parliament had seen. In case anyone is really aiming at a record I might mention that he will have to stay here another four weeks.

On Monday we shall take the amendment to the Judges Act, as I indicated the other evening, then the supply motion, the departments of national defence, defence production, and national health and welfare. It is understood, Mr. Speaker, that there will be no debate on the supply motion and perhaps we could finish all these departments by Monday night. In order to give hon. members an understanding of the work which is before them I have prepared a very tentative schedule and I would like to place it before them so they may be made aware of what there is yet to do.

If we have disposed of all these items on Monday then on Tuesday we will deal with veterans affairs, legislation, privy council, finance, justice, and national revenue; on Wednesday there will be labour, mines and technical surveys, agriculture, fisheries, and legislation; on Thursday there will be post office, citizenship and immigration and any supplementary estimates which have not been dealt with, and appropriation bills. It will therefore be seen that if we adhere to the program we can complete our work by Thursday night.

**Mr. Fulton:** Why this sudden modesty on the part of the minister? Yesterday the minister said we might take his department today if we disposed of the others. Now it is to be put off until the last day.

**Mr. Harris:** The minister has had his estimates here all evening waiting patiently to be called. I hesitate to say this as I have said it before but it was in order to meet the wishes of hon. members opposite that Monday was set aside for other departments.

**Mr. Fulton:** What about Tuesday?

**Mr. Harris:** Other departments.

[Mr. Nowlan.]

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

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

DEPARTMENT OF VETERANS AFFAIRS

507. Departmental administration, $2,214,867.

508. District services—administration, $2,729,993.

509. Veterans' welfare services, $3,291,711.

Treatment services—

510. Operation of hospitals and administration, $39,687,910.

511. Medical research and education, $365,600.

512. Hospital construction, improvements, new equipment and acquisition of land, $5,300,000.

513. Prosthetic services—supply, manufacture and administration, $1,009,024.

514. Veterans' bureau, $518,325.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

A—Department—

247. Departmental administration, $1,150,272.

National health branch—

Health services—

248. National health branch—administration, $162,430.

249. Administration of the Quarantine and Leprosy acts, $385,837.

250. Immigration medical services, $1,081,677.

251. Sick mariners treatment services, $684,508.

252. Grants to institutions assisting sailors, in the amounts detailed in the estimates, $2,400.

Laboratory of hygiene—

253. Operation and maintenance, $500,716.

254. Construction or acquisition of buildings, works, land and new equipment, $580,000.

255. Public health engineering, $189,723.

256. Occupational health, $279,433.

257. Civil service health, $300,499.

258. Epidemiology, $78,497.

259. Administration of the Food and Drugs and the Proprietary or Patent Medicine acts, $1,170,416.

260. Administration of the Opium and Narcotic Drug Act, $163,879.

Indians and Eskimos health services—

261. Operation and maintenance, $15,440,038.

262. Construction or acquisition of buildings, works, land and new equipment, $1,470,500.

263. Special technical services, $483,202.

264. Health insurance studies and administration of the general health grants, $99,337.

General health grants—

265. To authorize and provide for general health grants to the provinces, the Northwest Territories and the Yukon Territory upon the terms and in the amounts detailed in the estimates and under terms and conditions approved by the governor in council including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current year not to exceed a total amount of $48,433,939, $31,750,000.

Grants to health organizations—

266. Canadian Mental Health Association, $10,000.

267. Health League of Canada, $10,000.

268. Canadian Public Health Association, $5,000.

269. Canadian National Institute for the Blind, $45,000.

270. L'Association Canadienne Française des Aveugles, $6,000.

271. L'Institut Nazareth de Montreal, $4,050.

272. Montreal Association for the Blind, $4,050.

273. Canadian Tuberculosis Association, $20,250.

274. Victorian Order of Nurses, $13,100.

275. St. John Ambulance Association, $10,000.

276. Canadian Red Cross, $10,000.

277. Canadian Paraplegic Association, $15,000.

278. Canadian Opthalmological Society, $2,000.

279. World federation for mental health, $10,000.

Welfare branch—

280. Welfare branch administration, family allowances and old age security, $33,120.

281. Administration, $2,650,946.

Old age assistance and blind persons allowances—

282. Administration of the Old Age Assistance and Blind Persons Allowances acts, $116,558.

National Physical Fitness Act—

283. To provide for the administration of the act, the sum hereby provided, notwithstanding sections 8 and 9 of the said act, to be credited to a separate account in the consolidated revenue fund, to be subject to section 35 of the Financial Administration Act and to be paid out by the Minister of Finance upon the requisition of the Minister of National Health and Welfare, $78,141.

284. Assistance to provinces, $157,670.

285. Assistance to schools of social work, $32,370.

286. Grant to Canadian welfare council, $28,000.

287. Grant to Canadian conference on social work, $4,000.

National health branch—

Health services—

683. Sick mariners treatment services—further amount required, $275,000.

684. Public health engineering—further amount required, $12,680.

685. Administration of the Food and Drugs and the Proprietary or Patent Medicine acts—further amount required, $22,900.

Indians and Eskimos health services—

686. Grant to Tofino general hospital, Tofino, British Columbia, $10,000.

687. Special technical services—further amount required, $72,000.

Grants to health organizations—

688. Grant to Canadian psychological association as assistance to the fourteenth international congress of psychology, to be held in Montreal in 1954, $2,000.

DEPARTMENT OF FISHERIES

General services—

130. Information and educational service, including grant of $3,000 to Nova Scotia fisheries exhibition, $185,500.

131. Markets and economics service, $239,500.

132. Administrative expenses of the Newfoundland fisheries board, $25,450.

133. Industrial development service, $1,000,000.

Field services—

134. Field services administration, $701,900.

Protection branch—

135. Operation and maintenance, $3,136,000.

136. Construction or acquisition of buildings, works, land and new equipment, $490,000.

# HOUSE OF COMMONS

**Monday, June 21, 1954**

The house met at eleven o'clock.

## REPORTS AND PAPERS

REPORT OF BOARD OF TRANSPORT COMMISSIONERS ON LEVEL CROSSINGS

**Hon. Lionel Chevrier (Minister of Transport):** I beg leave to table, Mr. Speaker, a copy, in English and in French, of the report of the Board of Transport Commissioners for Canada on the railway-highway problem in Canada, made pursuant to order in council P.C. 1953/52 of January 14, 1953. Copies of the report are being made available for distribution.

AGREEMENTS MADE WITH PROVINCES UNDER NATIONAL PHYSICAL FITNESS ACT

**Hon. Paul Martin (Minister of National Health and Welfare):** As I indicated on Saturday, Mr. Speaker, I am now tabling a copy of an agreement made under the National Physical Fitness Act between the government of Canada and the provinces, and also a copy of the annual report of the physical fitness division for the fiscal year ending March 31, 1954.

## QUESTIONS

EXPORTS OF FARM PRODUCTS

**Mr. Diefenbaker:**

1. What were the varieties and kinds of farm products for which export permits have been granted since the first of January, 1954?

2. What was the quantity and sale price of each of such varieties and kinds of farm products for which such permits were granted for shipment, sale or consignment to (a) U.S.S.R.; (b) Hungary; (c) Roumania; (d) Bulgaria; (e) Poland?

**Mr. Dickey:**

1. Butter, canned pork, malt, hops, white sweet clover seeds, grass seeds and powdered whole milk, wheat, oats, barley.

2. (a) 7,400,000 lbs. canned pork*. Barley 344,467 bushels; (b) 131,100 lbs. white blossom sweet clover seed; (c) 2,200 lbs. Canadian slender wheat grass seed; (d) no export permits were issued for farm products; (e) no export permits were issued for farm products.

*Note:
Since in each instance there was only one exporter, in accordance with government policy the prices paid are not made public.

TRANS-CANADA AIR LINES PASSES

**Mr. Zaplitny:**

1. Were any flying passes issued by Trans-Canada Air Lines, during the 12 months ending March 31, 1954? If so, how many?

2. How many of these passes were (a) permanent; (b) temporary?

3. What are the names and addresses of all persons who received permanent passes, during the 12 month period ending March 31, 1954?

**Mr. Dickey:**

1. T.C.A. figures are compiled on a calendar year basis. The following is for the year 1953: Yes. 1,660 other than passes issued to T.C.A. employees.

2. (a) Permanent — 13; (b) Temporary — 1,647 (one trip only).

The foregoing temporary passes were issued in accordance with a policy agreed between the air transport board and scheduled carriers and authorized by the air transport board by which each carrier is granted a monthly quota of trip passes for promotional and public relations purposes. These quotas are related to the total business volume of each carrier.

3. As per list hereunder:—

Cabinet ministers
The Right Hon. C. D. Howe, P.C.
The Hon. L. Chevrier, Q.C., M.P.
The Hon. Alcide Cote, Q.C.

Post Office Department
Mr. W. J. Turnbull
Col. E. J. Underwood

Air transport board
Mr. J. R. Baldwin
Mr. J. P. R. Vachon
Mr. A. D. McLean

Department of Transport
Mr. A. T. Cowley
Major R. Dodds
Mr. G. C. W. Browne
Mr. A. Thomson
Mr. E. M. Elsley

MILEAGE 87·1, FRANK, ALBERTA

**Mr. Hansell:**

1. Was there ever a railway crossing established at mileage 87·1 Crowsnest subdivision, Canadian Pacific Railway at or near the village of Frank, Alberta?

2. If so, was this crossing a public or private crossing?

3. Was the crossing abandoned? If so, when and by what authority?

*Questions*

**Mr. Langlois (Gaspe):**

1. The board has no record of a crossing having been established at mileage 87·1 Crowsnest subdivision, Canadian Pacific Railway Company, at or near the village of Frank, Alberta.

2. Answered by No. 1.

3. Answered by No. 1.

OLD AGE SECURITY—LIENS COLLECTED

**Mr. Hansell:**

1. How many liens have the government collected on estates of old age pensioners under the Old Age Pensions Act, since the Old Age Security Act came into force?

2. What is the total amount collected?

3. What amounts were collected from each province?

**Mr. Martin:** I should explain to the hon. member that it would take quite a long time to answer this question because we have to ask the provinces for the information. This is a matter over which they have control.

**Mr. Hansell:** Perhaps I shall talk with the minister and we will have the question dropped later. It could stand for today.

**Mr. Speaker:** Question stands.

HOUSES BUILT BY C.B.C.

**Mr. Thatcher:**

1. Has the Canadian Broadcasting Corporation built any homes in the past three years for the purpose of renting to any of their officials or employees?

2. If so, how many?

3. What was the cost and location of each?

**Mr. McCann:**

1. No.

2 and 3. See answer to No. 1.

## QUESTION PASSED AS ORDER FOR RETURN

R. F. WELCH CONSTRUCTION COMPANY

**Mr. Noseworthy:**

1. Has the Canadian National Railways paid any money to the R. F. Welch construction company, during the past five years? If so, what amount?

2. What is the nature of the work done by that company for which such payments were made?

3. How many people are usually employed by this company on Canadian National Railways work?

4. Have any immigrants been brought to Canada during the past five years to work for this company? If so, how many?

5. Is there any working agreement between the department of immigration or the Canadian National Railways and the R. F. Welch construction company for bringing immigrants to Canada?

6. Does the R. F. Welch construction company maintain an agent in Italy for the purpose of securing immigrants for Canada?

7. Dose this company maintain an office in Halifax for the purpose of securing employees from among the immigrants who come to Canada?

[Mr. Hansell.]

8. Does this company maintain an agent or office at the union station, Toronto, adjacent to the government immigration office?

9. Does the government exercise any supervision over the wages paid and working conditions provided by this company on Canadian National Railways contracts?

10. What is the hourly rate of wages paid for Canadian National Railways contract work by this company?

11. How do these wages compare with the wages agreed upon in the Canadian National Railways contract with the Maintenance of Way Workers Union?

12. Does the R. F. Welch construction company enter into any contract with immigrants regarding employment?

13. If so, what are the terms and conditions of these contracts?

## MOTION FOR PAPERS

ARMED FORCES—LAYCOCK REPORT

**Mr. Dinsdale:**

For a copy of the Laycock report on the subject of recreation and related services for Canada's armed forces.

**Mr. Campney:** I am informed, Mr. Speaker, that there is no report known by this title in the files of the Department of National Defence. Dr. Laycock was associated with Professor Hendry in the studies which he made for departmental officials at the request of the defence research board, and assisted in the preparation of Professor Hendry's report. Any work done by Dr. Laycock was, therefore, included in Professor Hendry's report, the question of producing which has already been dealt with by the house. I suggest under such circumstances the hon. member might, therefore, withdraw his motion.

**Mr. Dinsdale:** In view of the fact that the defence estimates will be discussed later during the day, I am quite willing to take such action.

**Mr. Speaker:** Motion dropped.

## EXTERNAL AFFAIRS

GUATEMALA—INQUIRY AS TO FOREIGN INTERFERENCE

On the orders of the day:

**Mr. Alistair Stewart (Winnipeg North):** I should like to direct a question to the Secretary of State for External Affairs, but in his absence it might perhaps be regarded as notice. In view of the statement by Mr. John Foster Dulles last Tuesday that the great majority of the Guatemalan people have both the desire and the capability of cleaning their own house, can the minister inform us as to whether or not there has been any attempt at foreign interference in the dispute on behalf of either side?

**Mr. Roch Pinard (Parliamentary Assistant to the Secretary of State for External Affairs):** In the absence of the minister, Mr. Speaker, I shall follow the hon. member's suggestion and take the question as notice.

## FINANCE

INQUIRY AS TO ESTIMATED SURPLUS

On the orders of the day:

**Mr. J. M. Macdonnell (Greenwood):** May I direct a question to the Minister of Finance of which I have given him notice referring to the April returns of receipts and expenditures of the federal government, showing a surplus of $29 million as against $79 million a year ago, a drop of some $23 million in the revenue and an increase of $24 million in expenditures, will the minister say whether it is possible to make any comment in the light of these early figures concerning his estimate of a surplus of $4 million for the full year?

**Hon. Douglas Abbott (Minister of Finance):** I do not know that there is any special comment I can make. It is for the first month of the year. Defence expenditures were some $24 million higher this year than they were last year in the same month. They were rising last year, but they have levelled off now. The revenue, as my hon. friend has pointed out, is some $20 million odd lower, but there is no reason as yet to revise the estimates which I gave in my budget speech.

## SUPREME COURT OF CANADA

APPOINTMENT OF NEW CHIEF JUSTICE

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Can the Prime Minister say at what time the new Chief Justice of the Supreme Court of Canada will be notified of his appointment?

**Right Hon. L. S. St. Laurent (Prime Minister):** There will be no one notified of the appointment until the appointment has been made, and it is not intended that there be any appointment made today. There could not be one made today because there is no vacancy today.

**Mr. Knowles:** There will be tomorrow.

## INTERNATIONAL BANK

ISSUE OF BONDS IN CANADA

On the orders of the day:

**Mr. J. M. Macdonnell (Greenwood):** I have one further question to ask of the Minister of Finance. Would the minister comment on the news item in the Montreal *Gazette* of June 18 concerning the issue of $25 million of world bank securities in Canada? There are various comments made on this, and it seems to me it would be a matter of some interest if the minister would make his comments.

**Hon. Douglas Abbott (Minister of Finance):** The only comment I believe I can make is this. This is the second issue of bonds which has been put out by the international bank for reconstruction and development in Canada. Speaking from memory, I think the first was some two years ago for $15 million, and this one is for $25 million. The institution is familiar to all members of the house. The bonds are first class securities—putting in a little plug for them—and they are eligible for investment by Canadian insurance companies. I have no other comment to make on this issue.

**Mr. Macdonnell:** Mr. Speaker, may I ask a supplementary question. Has this loan any connection with any of the loans made by the world bank to Canadian companies, or is that purely accidental?

**Mr. Abbott:** I do not think so. So far as I am aware, the world bank has made no loans to Canadian companies, except the loan made some time ago to Brazilian Traction in Brazil. The Canadian money market is perfectly free. The Canadian government has no control over the issue of securities by the world bank, although under the articles of association the Canadian government is required to agree to the floating of an issue in Canada, as is the case with every other country which is a member of the bank under the Bretton Woods agreements.

## JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES

**Hon. Stuart S. Garson (Minister of Justice)** moved the second reading of Bill No. 478, to amend the Judges Act.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I wish to place one fact on the record. As will be recalled by members in the house, I asked on several occasions when we might expect this measure, and it was clearly indicated, by the nature of the question and from reports that appeared in the press, with the customary guiding phrase, that they were from a reliable government source, that this contemplated a general revision of judges' salaries.

I wish to point out that, because of the understanding that this was the situation, this matter stood until the resolution was presented last week without any knowledge on my part, or on the part of any of the other members of the opposition, that a general revision was not contemplated.

I wish to say quite definitely that I was not aware until the resolution was on the order paper that the general revision which had been talked about in the press and had been discussed for some time was not contemplated in the amendments before us.

The amendment before us for second reading is for the specific appointment of two judges, which I believe, we will all agree, is an appropriate addition to the bench. And, so far as the amendments are concerned, it is our intention to support them.

So far as the other subject is concerned, we are coming to the end of the session without even consideration of something that has been very much in the minds of the public and of a number of members in the House of Commons.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Salaries of judges of Court of Appeal.*

**Mr. Fulton:** I wish to make one observation and express the hope—perhaps it is a forlorn hope, but I think it should be expressed again, in the light of past experience—that, in making appointments to fill vacancies indicated in the bill before us, the government will depart from the practice which has been followed generally in the past, and will broaden the basis of selection of lawyers to be appointed as judges.

**Mr. Pickersgill:** Does the hon. member mean, when he refers to broadening the base, that judges in British Columbia should be chosen from outside the bar of British Columbia? I cannot see any other way the base can be broadened.

**Mr. Fulton:** The Secretary of State is not usually so slow on the uptake. He knows perfectly well what I have in mind. I have in mind that no longer should it be felt that the past political affiliations of those who are being considered as candidates should be the main qualifying factors, and that consideration, I am suggesting, should be discarded as the basis of selection in this instance.

I am convinced that one of the reasons why there has been some difficulty—a difficulty expressed by the minister on previous occasions—in finding suitable candidates who will accept appointments to the bench is that the minister confines the area within which he makes his selections too closely to those who are politically acceptable, instead of using as a basis for selection those who are qualified by experience, temperament and capacity for such appointments.

**Mr. Knowles:** Mr. Chairman, I wish to make a brief comment. We are prepared to support this bill. Had it contained what we thought it was going to contain we would have opposed it. And in that connection may I say, by way of comment on the remarks made by the Leader of the Opposition, that I hope there will be no upward revision of judges' salaries until something has been done for our burnt-out pensioners on the war veterans allowance.

**Some hon. Members:** Order.

Clause agreed to.

Clause 2 agreed to.

Bill reported.

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

**Some hon. Members:** Now.

**Mr. Knowles:** By leave.

**Mr. Garson** moved the third reading of the bill.

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

## SUPPLY

**Hon. Brooke Claxton (for the Minister of Finance)** moved that the house go into committee of supply.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

### DEPARTMENT OF NATIONAL DEFENCE

239. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $300,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection 3 of that section, where equipment or supplies acquired by the Canadian forces after March 31, 1950, are transferred, the estimated present value thereof shall, if the governor in council so directs, be credited to this vote instead of being paid into the special account mentioned in the said subsection 3, and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $4,577,641,724 regardless of the year in which such commitments will come in course of

payment (of which it is estimated that $2,711,822,159 will come due for payment in future years), $1,865,819,565.

**Mr. Drew:** Mr. Chairman, I had addressed a few remarks to the committee before the adjournment some time ago. I wish to continue those remarks today and to start out by emphasizing the fact that under the estimates now being given consideration almost half the total expenditures by the government are provided.

It does not seem to me that during the time this subject was under discussion before there was any tendency on the part of the minister to take the House of Commons into his confidence as to the situation with which we are in fact confronted. There were generalities about the excellent morale of our men and women in uniform. There were sweeping statements about our ability to accept our responsibilities in defending this country against air attack. There were sweeping assertions as to our assumption of the responsibility at this time; but the fact is that at no point in his remarks did the minister say what he would have said, and that is: I regret to inform the committee that for reasons I shall now put forward the reserve forces, which are the backbone of the defence of Canada, are now confronted with serious problems; that we are not getting the men we need; that in many cases units are unable to go to camp with more than a fraction of the strength that has been authorized, and that in some cases units of great importance to the defence of Canada are actually going on parade with more officers than men.

Had the minister then explained to us what the reasons are for that situation, I am sure that hon. members of this committee would have been ready to join in any positive effort which could be made to meet that situation in the face of the gravity of the world picture now before us.

I hope, Mr. Chairman, that you will permit me to read into the record a short summary of Soviet military power, prepared as appendix "A" to the report of the deputy supreme allied commander in Europe which was presented on May 24 last. I suggest that I be permitted to do this, because otherwise I would simply summarize paragraph by paragraph this short appendix. I believe it is in the most compact form possible, and therefore I propose that, with the consent of the committee, for the sake of brevity rather than otherwise, I be permitted to read this into the record. I do so rather than ask that it be printed because the facts are facts which should be in front of hon. members of the committee in dealing with this subject. I repeat, this is an appendix to a statement prepared by Field Marshal Montgomery and presented in the form of an address on May 24 and appearing as appendix "A" to that address:

1. From 1947 to the present time, the numerical strength (175 divisions) of Soviet ground forces has remained fairly constant. Nonetheless, significant changes have been made in favour of increased mechanization with sturdy and efficient modern equipment. Sixty-five divisions of the present establishment are tank and mechanized divisions. Moreover, the rifle divisions have been provided motorized equipment; they also have organic tanks and additional artillery . . . Thus, the mobility and firepower of all Soviet divisions have been increased through the introduction of improved weapons and equipment.

2. The U.S.S.R., Eastern Germany and the East European satellites today have over 6 million men under arms. Approximately 4·5 million of these are in the ground forces. A high state of preparedness is maintained by a rigorous training program.

3. The number of satellite divisions has almost doubled since 1947, bringing their total to about 80 divisions.

4. The U.S.S.R. has a ready-made spearhead for a rapid advance into western Europe. The spearhead is composed of 22 Soviet divisions in Eastern Germany, the bulk of these armoured divisions with nearly a complete complement of tanks and self-propelled guns. Behind this spearhead there are an additional 60 Soviet divisions located in the eastern European satellite countries and western U.S.S.R. (This does not take into account satellite divisions.)

5. Their mobilization system is exercised periodically to insure its effectiveness, and by M 30 (30 days after mobilization day) the Soviet and satellite ground forces could number 400 divisions.

6. The numerical strength of the Soviet air forces in recent years has been constant, having been stabilized at about 20,000 aircraft, but the rapid increase in the Soviet air potential is illustrated by the rate of changeover to jet aircraft. In 1951, about 20 per cent of their fighters were jet types. By early 1954, almost all of their fighters were jet types.

7. A similar development has occurred with respect to their light bombers. In early 1951, jet light bombers had not been introduced into operational units. By 1954, well over two-thirds of their light-bomber forces were jets.

8. In the medium-bomber category, the Soviets have doubled, since 1951, the number of TU-4s (similar to the U.S. B-29) in operational units.

9. Still newer types of jet fighters have recently appeared. Newer types of medium and heavy bombers, including jet models, also have been observed.

10. The development of a comprehensive aviation-training program has been one of the most significant contributions in the Soviet post-war program to improve the capability of the Soviet air power.

11. The program for airfield construction is still in progress, with attention recently being directed to fields with very long runways. In the past three years the Soviets have about tripled the number of major airfields in eastern Europe which will accommodate jet fighters.

12. In the past, the combat value of the satellite air forces has not been significant. In 1951, their aircraft were obsolete. By 1954, the numerical strength of the satellite air forces had been doubled with nearly half being jet fighters. Their facilities were improved and training had reached a fairly satisfactory standard.

13. The growing complex of airfields throughout eastern Europe, the aircraft-control and warning systems and anti-aircraft artillery dispositions of

the Soviet bloc are rapidly becoming capable of providing an effective air-defence belt along the western perimeter of the U.S.S.R.

14. Since the end of world war II, the Soviet armed forces have improved their potential for the use of airborne troops and weapons.

15. The principal naval threat is the Soviet submarine capability. The Soviet navy has over 300 submarines in service, of which about half are large or medium ocean-going types. The current large-scale naval construction program lays emphasis on the continued production of large ocean-going submarines.

16. Soviet submarine stockpiles, considered together with a considerable air and naval mine-laying capability, constitute a growing threat, particularly against the LOC (lines of communication) of allied command Europe.

17. Full credit must be given the Soviet bloc for having developed a strong capability in the special fields of atomic, chemical and biological warfare as well as in the field of guided missiles.

18. The Soviet economy has maintained a level of military production sufficient to provide equipment and supplies for the Soviet and satellite forces and still pursue a program of stockpiles.

19. To illustrate the magnitude of their total equipment stockpile, the Soviets have more than enough tanks, mortars and anti-tank guns for some 300 odd Soviet divisions. Their stockpile of field artillery and anti-aircraft artillery is several times that required to supply those divisions. Annual production of these items is continuing at a sizeable rate.

That is the carefully calculated statement by the man most competent to analyse Soviet military power at this time, Mr. Chairman. May I just for a moment again refer back to the last paragraph of that statement that the Soviet forces have more than enough tanks, mortars, and anti-aircraft guns for some 300-odd Soviet divisions, and then may I emphasize these words:

> Their stockpile of field artillery and anti-aircraft artillery is several times that required to supply those divisions.

That is the cold, chilling reality with which we are confronted at this time, Mr. Chairman, when we discuss the estimates for the Department of National Defence.

As though that were not sufficient warning in itself, we then find that even within these past few days there have been further warnings of the rapid increase, not only in the enormous reserves of manpower, but in the supplies and quality of weapons for the Soviet forces. At Quantico, Virginia, only last Saturday, President Eisenhower was present at a meeting of senior staff officers and officials concerned with the general problem of defence, and at that meeting those who were gathered there were informed by the people best qualified to make a statement on the subject that Soviet production is not only expanding rapidly but that the lead in quality and technical novelty of weapons which have given the western allies their supremacy, in spite of a very great disparity in manpower, is rapidly closing in. They warned, in the presence of President Eisenhower, that the Soviet forces both Russian and satellite are closing in very rapidly in the quantity, quality, and originality of design.

Those are the facts before us. Only yesterday in the celebration of air force day in Moscow, more than 600 planes of the largest and most modern jet type took part in a demonstration of Soviet air power. Those who listened to the radio description of that event heard that this was the largest demonstration of its kind that had ever taken place in the world in peacetime. They were told of the dropping of paratroops, and of all types of artillery of normal field standards, to give support to infantry and other lighter troops who were dropped by parachute.

Never in our history at any time, Mr. Chairman, have we been confronted so openly and with such accurate knowledge with the necessity for devoting whatever money we spend to the most effective defence possible, and with the necessity that our defence dollars produce defence and not just broad and sweeping statements about the general characteristics of our weapons, supplies, and organization.

Let us see what our position is. As of April 30 our active forces numbered 113,478. But, Mr. Chairman, that represents very largely the executive staff and various office employees necessary not only for the active forces, but also for the training, administration and supply of the reserve forces. It would be wholly wrong to think of those figures of active forces as fighting forces. We do not know exactly how many of those can be described as fighting forces.

It is fighting forces, after all, that General Montgomery is talking about when he speaks of six million men under arms. He is not talking about office staff or chauffeurs waiting outside the parliament buildings to take non-military personnel to various non-military engagements. He is not talking about various details of that kind.

He is talking about six million men under arms. He is talking about 400 divisions in the field capable of going into battle within 30 days. He is talking about 300-odd Soviet divisions fully equipped, and not only with an adequate stockpile but with several times their requirements behind them for military purposes. These are the realities. When we examine it from that point of view, let us remember that with the enormous amount of money we are expending, and with all the satisfaction we may express in the training and morale of the young men and women in uniform, it is still a comparatively limited force compared with that reality.

Now, Mr. Chairman, the spokesman of our party, General Pearkes, has on more than one occasion emphasized our belief that there should be a reorganization of our forces in keeping with Canada's own particular military requirements, not only for the defence of our own vast territories, but to play our part in the over-all obligations to NATO which we have assumed. He has made it clear that he believes that the more we concentrate on air and airborne forces, the more we shall be capable of meeting our demands within our own boundaries and, in the unhappy event that the necessity should ever arise, of extending our effectiveness to distant points in other parts of the world.

On several occasions, Mr. Chairman, we have sought to obtain the report prepared by three senior officers of the armed forces in regard to the reserves. Let it be remembered that, while we talk of the active forces in Canada, the backbone of our defence is the reserve. We have never pretended at any time that we are a nation that seeks to maintain a standing army or a standing military force of air, land and naval units capable of meeting the demands of war. We have relied throughout the years on the strength of our reserve forces. That has been the backbone of our defence. It is the backbone of our defence today and it is the strength of the reserve that we should examine and about which we should have all the available information that can be given to us. We have asked several times for the production of that report. We have been told that this is a secret report; that it is a confidential report. But that, Mr. Chairman, is eyewash. That report is no more secret than was the report which was prepared twenty years ago and which formed the basis of the reorganization of the land forces of this country at that time. That report is no more secret than were the recommendations which were carried out twenty years ago and under which there was a conversion of half of our infantry units to artillery units, armoured units and other units of various types. That report was made public. That report was made public in detail. It was made public in detail for several reasons. It was made public because, as a result, it made it possible to obtain the support of the members of the house for the principles laid down and also to obtain the support of the general public, particularly the public in those communities where reserve units carry out their training. By making the general nature of that report public, support for the general plan of reorganization was gained in those communities which have a proud tradition of military training. Only one detail of that reorganization program was kept secret. That was the part which referred to the specific units which should be converted or discontinued. I think the same principle could well apply to the present report.

There are obvious reasons why it is not desirable to present detailed recommendations with regard to the conversion or discontinuance of specific units until a general principle is settled and has gained support. If that procedure is followed, in the very nature of things the local pride in a particular type of service is bound to assert itself, often without due regard to the advantage there may be in the unit's becoming part of a particular type of military service.

Mr. Chairman, I would certainly urge as well as agree to the idea that any recommendations with regard to specific units be withheld just as they were withheld twenty years ago when there took place at that time the sweeping reorganization which alone made it possible to mobilize on an effective basis in 1939. Let us, however, have the rest of the report. Any report can have the word "secret" or "confidential" put on it; but that does not mean that it is in fact secret or confidential. The members of the House of Commons have a right to know what assessment has been made of the strength of our reserve units, of their effectiveness at this time and of the possibility of suddenly mobilizing a force in the event that danger presents itself on a greater scale than that on which it is presented at this time.

I recognize that this matter presents one of the fundamental problems confronting every democratic legislative body. The balance between wide-open disclosure of all information and a measure of secrecy which denies to the members of the elected legislative body adequate information for informed discussion is one which today is engaging the attention of all those who are concerned about the effectiveness of our democratic system. Without in any way suggesting that it is our right, our duty or our prerogative to speak in critical terms of any other legislative body, I think it is appropriate that we should say that here in this chamber and in the parliament of Canada we certainly do not agree with certain propositions which have been put forward in Washington in recent days with regard to the full disclosure of all documents, no matter how secret those documents may be.

The proposition that any document made available in the utmost secrecy to a member of the executive or exchanged between governments should become available to any member of the elected body is, of course, one that would be intolerable to contemplate under our system. In fact, let it be said right

away that proper discussion between nations becomes more difficult when there is any uncertainty about the completely confidential character of those documents. But let it also be said right away that where there are truly secret documents—for instance, such documents as relate to secret military developments or to the assessment of new military power upon a highly confidential basis—they most certainly should not be disclosed. Having said that, however, we should not be placed in a position where, in the name of secrecy or confidential documents, we in this committee and in the House of Commons should be denied information that every member has the right to have.

This matter goes to the root of the whole effectiveness of the democratic system. The question before us is as fundamental as is democracy itself. The free election of men and women to sit in the House of Commons and be members of the parliament of Canada offers to the people of Canada no assurance that we shall, in fact, have either democracy or freedom unless those who meet here as representatives of the people have before them, for their knowledge, information and advice, the essential facts with regard to any matter brought before the House of Commons for consideration. We have not that information today. I hope the minister will not insult the intelligence of the members of this committee or the good sense of the people of Canada by suggesting that we have the essential information which makes it possible to discuss in a well-informed way those items that call for an expenditure of some $2 billion during the current year.

We can obtain some of the facts in spite of the government's determined effort to hide them from us; and let no mistake be made about it, they are determined efforts, successfully carried out by the weight of their superior majority. For example, in the face of these cold and chilling facts that are presented in appendix "A" to the last statement of Field Marshal Montgomery, we are told about our ability to meet an air attack. We are also told that we rely on our reserve anti-aircraft forces to meet that attack. Do hon. members of this committee know the strength of our reserve anti-aircraft forces? I happen to know the situation with regard to one of the best. They have less than one-tenth of the weapons they should have. They cannot even train effectively with that small number of weapons. They cannot train effectively because under the system they now have they often find they have more officers than men on parade. That would not be so if there were a sense of reality, of urgency and of duty in relation to the operation of these reserve units. When I state that fact I do so simply because of personal contact. I have stated already with respect to a group of field artillery which is generally regarded as one of the best in Canada that in this year, when we are told that there are six million Soviet men under arms, that group, one of the best in Canada, will fire with 24 guns instead of 124. That group will go to camp in no single case with one of the regiments up to strength.

I am not talking about even full reserve field strength, as the minister implied in earlier remarks, nor am I talking about military strength for active service. I am talking about the reduced strength which has been established for training purposes. Not one of them will come up to that reduced strength, and some regiments will not even go as a single battery but only as troops of a battery because of their inability to man the guns, and that in this year 1954 when we are told that the military strength of the Soviet forces is mounting all the time.

There is another aspect of this problem which extends generally throughout the army. Because decisions have not been made with regard to the report to which I have referred, there are some units in a state of uncertainty today because they do not know what kind of units they are going to be. I know one of the best infantry units in the country that is scarcely able to train at all at this time because of the uncertainty as to what kind of unit it is going to be. These are merely examples which I put forward from personal contact. I do so with full responsibility as a member of this house. The members of the house should have before them a complete and detailed statement of the situation with respect to every reserve unit of the land, sea, and air forces right across Canada today. Without that, the estimates now before us and the general statements made are, in substantial measure, largely meaningless.

At this stage of the session, Mr. Chairman, it is still possible for the minister to say that in view of the situation that has developed it is his intention to present what has come to be known as the general's report. It is possible to place before this committee, this house and the parliament of Canada the essential information that has been found. Let us hope that, confronted with the threat of military might greater far than was ever presented by nazi Germany up to September, 1939, we will have reality and not blind generalities with regard to what we can do. I hope, in answer to demands of this kind, that we will not have statements by the minister that he is proud of the quality of

the training, of the effectiveness of the brigade in Germany, of the brigade in Korea, of our naval units on the seas of the world, of our airmen who fly the aircraft that we are getting in increasing numbers.

When I say I hope we will not hear that, it is not because we do not want to hear it. We have heard it already. We believe it and we believe it just as much as the government. We on this side of the house have just as much reason to be proud of the young Canadians in uniform as has any member on the other side of the house. Without reducing this to personalities may I simply, for the purpose of the record and for the knowledge of that younger generation who may not be aware of the facts, remind the house that the military spokesman of our party, General Pearkes, carries on his breast more decorations for valour than are worn by any other infantry officer in the units of the commonwealth today. I mention that not to glorify his military achievements, glorious though they are; but a man who wears the ribbon of the Victoria Cross, that highest of all decorations for valour, a decoration difficult to win and live, a man who wears the C.B., the D.S.O., the Military Cross and the many other decorations awarded to him for his service on the field of battle, a man who has risen from the rank of private in an infantry unit to divisional commander, is not a man who is going to place before this committee, this house, this parliament or the people of Canada any argument or any single statement that would reflect on the young men in whom he himself has such a deep and abiding pride.

Without extending it beyond that, Mr. Chairman, may I say that the same applies to a large percentage of the members of this house who have, in one service or another, done their best within their limited capacity to serve their country in time of war. I would not feel myself worthy of the remarks I am making if I did not concede and say with admiration that the Minister of National Defence himself is one of those who served gallantly on the field of battle, and from that service I would hope that he would be prompted to recognize the deep and grave concern of those of us who have seen the penalty of unpreparedness in the situation with which we are confronted in this country at this time.

As one whose contact with the reserve forces goes back for more years than I like to recall, I say without any reservation that on a comparative basis, in spite of the enthusiasm, the quality of training and the efforts of those in the reserve forces today, there has been no time in the last fifty years when the reserve forces of Canada were less capable of immediately assuming the responsibilities they would be called upon to assume in the event of a sudden emergency. Surely that is not a situation we can contemplate with satisfaction. Surely that is a situation which should be fully examined, fully disclosed to us. Instead, we are simply told that under terms of secrecy and because the word "secret" or "confidential" appears on the document, we cannot have the findings which have been made.

This is becoming a habit, Mr. Chairman. It is not only in the case of the report to which I have referred that this same attitude applies. Only this morning an effort was made to obtain information respecting some inquiries that have been made, and that was denied on the ground that it was made in relation to other findings which have also been denied. That is one original way of denying information—deny the blanket and you deny everything under it. That is exactly what we have before us now. Then let us see some of the reports that there have been in regard to the various aspects of the military service. There was the Mainguy report on the navy; there was also the Gordon report on the national defence department within a limited field. There was the MacNab report; there was the Currie report; there was the Hendry report; and also there is the report which is known colloquially as the general's report and which perhaps is more accurately known as the Kennedy report from the name of the very distinguished general who acted as chairman of that committee.

During this past session, motion after motion has been presented to this house calling for the production of reports, including the Kennedy report, and they have been voted down by the solid voting strength of those supporting this government. So far as the supporters of the government are concerned, they are prepared to accept these blind assurances that all is well, in the face of the knowledge of many hon. members on the other side that all is not well and that we should have the information which is not available to us today. So far as the supporters of the government are concerned,

> Theirs not to make reply,
> Theirs not to reason why.

I hope, Mr. Chairman, that no one is under the impression that any statement in the Currie report has been challenged because of the fact that the government still is able to exercise such a sweeping majority for the suppression of all information in other cases. Not one word of that stands effectively challenged. The rails were stolen; the horses were on the payroll—

**Some hon. Members:** Oh, oh.

**Mr. Drew:** The horses were on the payroll—

**Some hon. Members:** No, no.

**Mr. Drew:** —just as they were found, Mr. Chairman, to be on the payroll, by a man declared by the Minister of National Defence himself to be the best qualified for that inquiry. The tawdry objections made by members opposite, in sounds that will not be recorded in *Hansard,* merely indicate the extent to which the Liberal mythology has already written off the Currie report.

**Mr. Claxton:** May I rise on a point of order?

**Mr. Drew:** No, on a question of privilege, but not on a point of order. If it is a question of privilege, that is a different thing.

**Mr. Claxton:** The Leader of the Opposition is not chairman of this committee.

**Mr. Drew:** No, nor are you.

**Mr. Claxton:** I should like to rise on a question of privilege to say that the question of the horses on the payroll was effectively dealt with in this house once and for all by the Prime Minister. Despite that fact the Conservative opposition has continued repeating this story about them. However, it was effectively dealt with once and for all in this house.

**Mr. Rowe:** What point of order is that?

**Mr. Drew:** That is exactly the kind of answer, Mr. Chairman, that should make every hon. member in this house concerned about every answer given by the minister, because that is not so. The statement he has just made is directly contrary to the facts. The statement he has made is contrary to the Currie report, which stands unchallenged. The statement made by the Prime Minister disposed of this thing in no way. The statement by the Prime Minister skirted around this question, and the fact that the Minister of National Defence would give this absolutely misleading answer is one reason why we should have before us now every word in the Kennedy report, and not rely upon his interpretation of it. If he is not capable of interpreting the Currie report correctly at this time, he is no more capable of interpreting the Kennedy report to us.

Let us remember, Mr. Chairman, that it was not only horses on the payroll. Let us remember the whole siding that was stolen. Let us remember the hobby horses that were made; let us remember also the fraudulent invoices and the disappearing cement and the general's fish pond and everything else found in that report which stands, unless the minister is prepared to get up in this house and say he does not believe Mr. Currie.

**Mr. McCann:** And include the Ontario highways.

**Mr. Drew:** The sound effects from the C.B.C., Mr. Chairman, are not an appropriate background for the consideration and discussion of national defence.

**Mr. McCann:** Just as important as yours.

**Mr. Drew:** I recognize that in this house the minister is much more important because he has behind him a majority that will deny to this house any information he wants withheld, including information about the C.B.C. He is, therefore, very important in this house, particularly when he is backed up by this majority.

**Mr. McCann:** You ought to get a few backers.

**Mr. Drew:** That is the only thing that does give him importance. Certainly, we concede that as long as he is in a position to deny to this house, through the majority that supports this government, the information we should have, then he is very important indeed, and important mainly because of his capacity to deny us effective information.

Hon. members in this house who were not members before, Mr. Chairman, should read the Currie report and read also the statement of the Minister of National Defence that Mr. Currie or Colonel Currie or Brigadier Currie, as he may properly be called, was declared by the minister to be the best qualified man in Canada. Unless the minister says he does not believe him, then let every hon. member in this house accept that report; and because we did get so much information in that report, let the minister extend the information and tell us, not in the refined version but in its original form, the details of the Kennedy report.

In this whole subject a very successful device has been employed. Either the document has the word "confidential" on it, a very easy word to write, or it is not in the public interest to disclose the document. This is a very easy device with which to suppress effective information. The fact is that one thing that has so lengthened debates in this house—

**An hon. Member:** George Drew.

**Mr. Drew:** The distinguished hon. member opposite says "George Drew". I know the minister would prefer that the opposition remain silent and that we just meet here like the Soviet parliament, listen to what the

politburo tells us, and then go home; but we do not intend now or any other time to accept that interpretation.

**Mr. McCann:** We will stay for the summer, if you want.

**Mr. Drew:** We intend to fulfil our function as an opposition, in spite of the difficulty of obtaining information. But we do make it clear to the people of Canada who send us here that one of the things that have lengthened this parliament is the fruitless effort that has been made by the opposition to obtain the kind of information that, as members of parliament and in consideration of the rights of the people, we should have in discussing these vitally important subjects before us.

At what point, Mr. Chairman, is the information going to become available? We made the proposal last year that this gentleman, whom the Minister of National Defence described as the best qualified in Canada, should extend his report to every branch of the Department of National Defence. Do not let any member of the government, and above all the minister, say to this house that this reflects on any member of the armed forces. The highest tribute we can pay to the members of the armed forces is to insist that they have the training, the equipment and, above all, the reserves behind them that they are entitled to have as young men and women who have accepted the heavy obligations they have assumed in the uniform of Canada.

What we argued last year, what we have argued this year, and what we will still contend, is that even if the Minister of National Defence is not prepared to appoint Mr. Currie to conduct such an inquiry, then he should appoint some other individual or group of individuals, with the same freedom Mr. Currie had, to examine the organization of the Department of National Defence, and of general defence organizations throughout Canada.

After all, is there a single member in the House of Commons who believes for one moment that the very substantial savings which resulted from the Currie report would ever have been made if that inquiry had not been conducted in that way? There is no hon. member in this House of Commons, including those on the other side of the house, who thinks for a moment that this would have been done. And yet, let hon. members recall this, and particularly those who were not in the house when that report was discussed, that the inquiry conducted by Mr. Currie and those associated with him dealt only with one segment of one part of one branch of the service. It dealt with less than a twentieth of the army organization, alone. Now, if that much was found which called for substantial savings, and very sweeping reorganization such as was recommended in the Currie report, then surely there can be no hon. member who would suggest that tremendous savings would not be made by a similarly objective inquiry carried into the whole organization.

Do not suggest that anyone in proposing this is seeking scapegoats, any more than those members of parliament who support a Companies Act which calls for regular audit would suggest that there is something inherently dishonest in business when they make it an absolute requirement that every year there shall be an independent audit of the books and of the organization of a company. That is done as an ordinary and sensible and businesslike recommendation. There is no suggestion that there is any natural tendency to impropriety in the handling of business of that kind. With the very best of intentions and of business purpose, any rapidly expanding organization is bound to break out at the seams. Any expanding organization calls for examination and review.

That is what we have asked for, and I repeat that request now. We are coming toward the end of the session; but such an inquiry could be conducted under an appointment made by the government while the House of Commons is not sitting. Such inquiry would produce information which, if it were placed before members of the house, would make it possible for us to deal with this problem next year in a way that has not been possible previously at any time.

We have here a long series of items. It is not our intention to continue repetitive inquiries in regard to those items in the unavailing thought that by such inquiry we might finally break through this veil of secrecy which has been thrown around the real details in the Department of National Defence. Nothing will be served by that procedure. Nothing will be served by constant requests for the examination of this item and that. We admit right now, and without hesitation, that by the method the government has followed, and by the use of the guillotine, which has been employed over and over again by the full weight of the government majority to stop inquiry, to close the door to the receiving of information, and to withhold reports, we are not in a position to discuss this subject as we should discuss it. We know that perfectly well. But I have just offered a few examples of things that are known to me. I have offered a few

examples that are known to hon. members on the other side of the house, in their own constituencies, in regard to actual conditions of the reserve force in their constituencies.

I would hope that we might have the refreshing experience of seeing one or two, or more, members on the other side of the house getting up and explaining that in spite of the high quality of the officers, the N.C.O.'s and men, and in spite of their earnestness, the reserve units in their constituencies in many cases are not able to meet the opportunities presented to them.

**Mr. Ferguson:** They are too interested in the Senate and parliamentary jobs, and assistants, to do that.

**Mr. Drew:** Mr. Chairman, this talk about secrecy, this talk about confidential information is nothing but a farce. This talk about information which cannot be disclosed to the elected members of the people is nothing but an attempt to hide information which would simply whet the appetites of hon. members—and I hope hon. members on the other side of the house—for still more information.

Each one of those reports being withheld contains findings which explain where substantial savings could be made. Each one of them does. Let us have those reports. Let us have the Kennedy report. And, Mr. Chairman, unless the Minister of National Defence is prepared to say that Field Marshal Montgomery was exaggerating the gravity of the situation when he made his statement on May 24 last, appendix "A" to which I have put on the record, then let the Minister of National Defence now tell us that there will be an examination of the whole organization of the Department of National Defence, such as produced the savings about which he boasted following the Currie report. And then next year we would be able to come back here and really deal with these vitally important items, with knowledge of what lies behind them.

Let the public know today that the veil of secrecy thrown around the Department of National Defence by this government precludes the effectiveness of detailed questioning. Let us remember that we have a right to that information, because we are not dealing only with some two billions of dollars of the taxpayers' money: we are dealing with nothing less than national survival itself.

**Mr. McIvor:** Mr. Chairman, I agree with some of the things the Leader of the Opposition said, when he referred to the personalities of two of our distinguished members. But there is a lot I do not agree with in what he said. I do not agree with his statement that guns, armament, fleets and material things are the only things necessary to win a war.



**Mr. Drew:** And neither do I, Mr. Chairman.

**Mr. Ferguson:** Nobody else does.

**Mr. McIvor:** What was it that beat Hitler? It was not because he had a great fleet of submarines, the best in the world; it was not because he had more aeroplanes than all the allies put together, perhaps twice over; it was not because he had big guns and arms and armament, the best in the world. What beat Hitler? It was not his lack of preparation. We have heard from the Leader of the Opposition—

**Mr. Drew:** Mr. Chairman, may I ask—

**Some hon. Members:** Sit down.

**Mr. Drew:** No; the hon. member has asked a question, and I can answer it in a few words if he wants it answered. I will answer it very quickly, if he wants it answered.

**The Deputy Chairman:** Order. The Leader of the Opposition knows that the hon. member for Fort William can be interrupted only with his own consent, and if he does not sit down he does not indicate that.

**Mr. Drew:** That is quite true. I merely said if the hon. member is really asking a question I can answer it very quickly.

**Mr. Croll:** You have all the answers.

**Mr. McIvor:** I will make myself pretty clear before I am through, I hope. I asked the question, and I am asking it of myself. What beat Hitler? One of the first things that beat Hitler was when he went out and murdered the Jews by the thousand for no other crime than that they were efficient and good businessmen, and that they believed in one God. "Thou shalt not kill." And he who breaks the Ten Commandments will be broken by them. Napoleon said, Talk not to me of Providence: Providence is on the side of heaviest battalions. But Providence was not on the side of heaviest battalions when he attacked Russia. When half a million of the flower of France were frozen to death in their saddles, Providence was on the side of the thin, clear, cool air of Russia. Providence was on the side of the snowflakes of Russia and not on the side of the well-equipped army of France.

The Leader of the Opposition said a good deal about information. If the Ministers of National Defence were not capable of keeping the information that should be kept they should not be there. What does Russia want to know? They want to get all the information that the Department of National Defence

has, and I do not think they should have it. I admit that we have only 15 million people in Canada, but when we have 113,000 in the armed forces, that is not too bad.

**Mr. Ferguson:** That is Liberal defence; that is not defence of Canada.

**Mr. McIvor:** The hon. member can rise in his place in a moment or two. I am not through yet, but I shall soon be. What beat Hitler? Headquarters asked the Christian church in Canada all over for their co-operation, and after that co-operation what happened? You could see Hitler making his mistakes after Dunkirk. Why did they not wipe out the remnants of the British army in that area? They had enough aeroplanes, but they did not do it. What they did was to attack Russia, the second big mistake. The next mistake they made was when Japan was induced to make its attack on Pearl Harbor. You could see things coming along.

I can say, Mr. Chairman, that the Minister of National Defence has done a fine job in preparation. I have read the white paper. I have not gone on all the trips that we might have had, to see what the Department of National Defence is doing. We went to Petawawa, and to me it was a wonderful revelation to see what they were doing. We went out to the airfield in Ottawa and we saw what the aeroplanes were doing. The Minister of National Defence has done a splendid job. There comes a time in preparations when you cannot prepare any further and then the Man above comes in and He does His work.

**Mr. Winch:** I desire to say a few words on this matter. I do not expect to be very long, but I do want to add my contribution in stating that I fail to understand the reason why at the present time the elected members of this House of Commons, and thereby the true representatives of the people, are not taken more into the confidence of the minister and of the government as to the defence situation in this dominion at the present time, and as to the value that is being received for the expenditures of over half of our national budget.

I can remember when Canada was at war, Mr. Chairman, and there was an enemy on the western coast. The members of the legislature of British Columbia were very disturbed about the situation because they were almost in the dark as to what it was. Therefore, the members of the legislature of British Columbia raised their voices and demanded that they be taken into the confidence of the military authorities as to what was going on in British Columbia and as to what our position was.

Now, Mr. Chairman, there we were at war. There was a demand, if you like to put it that way, or more politely a request, that the members of the legislature be taken into the military confidence. What happened? Within the matter of seven days Mr. Hart, as the premier of British Columbia, and I as the leader of the opposition in British Columbia, and representatives on the floor of the legislature, were called together by the general in charge of the Pacific command, and he sits right here on the floor of the house, General Pearkes. He can tell you that what I am saying is correct. We were taken into the confidence of the general in charge of the command. We were told what was going on; we were given a demonstration of what could be done. I can remember we said: In the event of an air attack, a bombing attack on Victoria, how soon can you have a scramble of air fighters so as to meet those bombers? We were given an actual demonstration right then and there. We were not told what someone in a certain office told him; we were given a demonstration, and we knew right to the second just how soon a bombing raid could be met. I am not going to go into details, but I am going to say this on my responsibility in this house. As a member of the legislature of British Columbia in time of war we knew the situation, we knew the number of troops, we knew the number of ships and sailors and aircraft and fighters, and so on.

In view of that experience, I must admit that I cannot understand why at this time the members of this House of Commons cannot be taken into the confidence of the government to a far greater extent than they are at the present time. If there is some reason why it cannot be done in the open, then I say at least it should be done in camera. I have been amazed that we cannot get information from the minister or from the government on our own affairs here in the realm of defence in Canada, and yet just a few days ago we could meet—yes, in camera it was—and we could get information on what is going on in Europe under the NATO troops, information of vital importance, of vital interest. If the commander in chief of the NATO forces could see fit to take the members of parliament at least in part into his confidence, then why cannot our own minister of defence in Canada take his own members of parliament, the members of parliament of Canada, into a far greater confidence than has been done hitherto?

I do want to say a word in particular about the reserve army, because honestly I will admit I should like to know a lot more than I do at the present time about that army. I have a great deal of pride in that body of

men. I had the honour of being a member of the reserve forces in the city of Vancouver for a number of years, and I think that it certainly redounds to their credit that they do their eight hours of work in the factory, in the shop or in the office and then turn out two or three times a week at night and week ends and give up their annual holidays so as to go to the training camps. I was not very high; I was only one of those two-pip miracles. However, I was a training officer and in the two or three years I was in the reserve army I got to know the problems we run up against. I know of things that went on that we just could not understand, things which just about sent the training officers out of their heads. We had such things as changes in orders, changes in rules, changes in equipment, and we never knew exactly where we stood. There may have been reasons for them but I know that was the situation then and I would like to know whether these problems have been met, and I want to know whether we can obtain the information which is contained in the Kennedy report.

I do not think I need add any more, and certainly there is little need to be emotional about this. I would say, however, that the reserve army must be efficient and in view of the key information given to the elected representatives of British Columbia in time of war I cannot understand the hesitancy of the Minister of National Defence in making more information available to us at this time.

It is all very well for the minister to take up that attitude here in Ottawa, but in a matter of a week or two when we return to our constituencies we are the ones who are going to have to answer the questions about this and we cannot do it unless we are given that information by the executive. I sincerely hope that after due deliberation and perhaps a little more serious thought the minister will consider taking the people's elected representatives a little bit more into his confidence than he has done up to now.

**Mr. Dinsdale:** I think it seems obvious, Mr. Chairman, that members of this committee find it difficult to discuss the subject of national defence in a vacuum of information. It also seems obvious that the reason for the extended discussion on this matter is due to a lack of specific knowledge of the affairs of the department. I know that I personally have tried on three occasions to scrutinize the items in the estimates so as to come to grips with some of the underlying difficulties. But I have found it almost impossible because we have been dependent upon the vague statements to which reference has already been made on numerous occasions in this house. I have searched through the white paper and according to that white paper all is well in the department. I have examined the minister's statements and according to these statements everything is rosy in the defence garden.

Unfortunately that conclusion does not jibe with the reports I have received through personal contact with certain branches of the services, and also from the numerous letters which reach me particularly with regard to our reserve forces. This has been particularly true since the announcement of the completion of the Kennedy report. When queried for information, I find myself in the same position as other hon. members in this house, forced to say, "I am sorry but we have no information. We are merely members of parliament and apparently not to be taken into the confidence of the government in regard to these important matters."

Now, Mr. Chairman, I am rising to speak at this time because of a special interest in a subject with which I think it will be impossible to deal during the discussion on later items. I am especially concerned with the government's decision to deny these reports to members of parliament, because I am the victim of one of these refusals. I refer particularly to the Hendry report. I have been on the trail of this report for a long time and I have had to work on the basis of trial and error because there was no specific information available. In fact it was only indirectly that I learned such a report existed. During the pursuit there were times when I almost had it. Those most intimately connected with its preparation were of the opinion that there was no secrecy involved and that any revelations concerning it would not place our defence preparations in jeopardy.

At one time, when I thought I was going to receive this report, those whom I contacted said that as a precautionary measure they would have to consult the Department of National Defence. It was there that this cloak of secrecy descended upon what is a harmless and innocuous report in so far as military strategy, secret weapons and arms development are concerned.

If there is anything vital to the defence program of this country, civil defence as well as armed defence, it is the matter of comprehensive welfare planning. In this connection it is not only this matter of denying members of parliament access to reports which disturbs me. The shroud of secrecy around the department goes much further than that. During recent months, for example, I have been in touch with some of my

old air force buddies still active in the service. One particular incident would have been amusing if the implications behind it had not been so serious. We had not seen one another for a long time so we had lunch together in the parliamentary restaurant. This officer was ticked off for consorting with a member of the opposition. I think that is carrying the shroud of secrecy too far. It is this accumulation of frustration resulting from the denial of reports as well as other instances of police state tactics which bring me to my feet at the present time.

Then, there is the matter of our contacts with the reserve units. Some hon. members of this house maintain reserve contacts. I do not know whether my experience is exceptional, but I have found it very difficult to get into close contact with the work which is of the greatest interest to me and work for which my background, training and preparation in military matters best qualifies me to pursue. This seems to be particularly difficult if one happens to be a member of the House of Commons, which to my mind is the exact reverse of the principle which should prevail in a democratic society. My background happens to be that of an all-weather night fighter pilot, but when I turn out for reserve training I am put on personnel work dealing with personnel problems which crop up fairly regularly under the present military scheme of things.

The only conclusion I can draw from this, Mr. Chairman, is that the government, in defence matters, is more afraid of the opposition than they are of any potential enemy. I have said this before and I repeat it now. I am quite sure that if there is any state interested in attacking this country, then they know far more about our military potential and preparation than do the members of the opposition in this House of Commons. That situation naturally arouses our suspicions. If we are sent here by our constituents to represent them in running the affairs of this country, then we must become suspicious when we are denied access to the details concerning a department which is one of the biggest spending departments of government, and which, in the present uneasy state of affairs existing in the world—and which state of affairs is likely to continue for some considerable time—has a great measure of responsibility for our security. I have come to the conclusion that an attitude of this kind can only suggest that the government is more afraid for the security and defence of the Liberal party than they are for the security and defence of the nation. That is not a particularly healthy attitude in view of the emergency or the crisis, on the level of external affairs, that at this time confronts Canada and all the nations of the western world.

In the discussion this morning it has been pointed out that Canada's defence force is and always will be essentially a civilian force. That is something that has been so in more primitive, and earlier, experiences of military activity in this country. It certainly is much more true in the face of the kind of warfare confronting us in this twentieth century. The advent of the H-bomb and similar weapons of total destruction means that everyone, more or less, is in the front line. All we can hope to do in maintaining a defence force, a group of professionals, is to support a nucleus who, in the event of an emergency, would be able to bring into a state of rapid preparation and mobilization the much larger force that would be needed.

If we are going to maintain the interest of the public or if we are going to maintain the interest of the civilian soldier, the reservist, in defence matters, to me it seems logical to believe that we must take him into our confidence. It seems to me that the government must take the citizens into their confidence, must place all the facts before them, must present them repeatedly—and shock them if necessary—with the challenge of the urgency of the moment. That is why I have pursued this subject of welfare. I do not want to look at it in any narrow or restricted sense at all. But in a democracy where you have not the totalitarian or authoritarian machinery with which to do what should be done quickly in the face of a crisis, you have to depend upon high morale and esprit de corps among the citizenry generally. They must be inoculated with a deepseated conviction concerning their responsibilities in these matters. If we are going to be able to carry out our defence program successfully, it seems to me that such a happy state of affairs can arise only from the existence of a well-informed public.

From that standpoint alone I think it is unfortunate if not tragic—in view of the continuing emergency confronting us—that we as members in the first instance are denied access to those documents that have been referred to. Perhaps it is unfortunate that the Currie report, or what has sometimes been referred to as the bootleg copy of the Currie report, was revealed to the members of the House of Commons because, since the revelations that were made in that Currie report, the defence department has buried its head in the sand even deeper than before. I cannot imagine them denying access

to the members to such a harmless document as the Hendry report on welfare services had they not been, having regard to the implications of the Currie report, unduly disturbed for the security of the Liberal party.

If I needed to quote any example as to the proper attitude that should be taken in maintaining the necessary interest in defence matters in a democratic society, I think I need only refer to Sir Winston Churchill, the British Prime Minister. All during the twilight period before world war II he was the voice crying in the wilderness. Because he was not in tune or in step with the prevailing or predominating attitudes toward external affairs in the western world at that time, he was not very popular politically. He represented the "blood, sweat and tears" philosophy. Of course that philosophy, at any time, is not very sweet as far as the electorate is concerned. It does not help in the necessary process of obtaining votes. However, he was right. Because he was right, when the crisis eventually came he was called upon to assume responsibility. The story is well known to all the free peoples of the western world.

Like the hon. member for Vancouver East, I was greatly impressed with the frankness with which the problems of defence in relation to the present world situation were dealt with by General Gruenther. It was a straightforward and frank appraisal, as contrasted with the "gobbledygook", the circumvention that goes on in this chamber with regard to defence matters in relation to Canada which, in the matter of population, is a relatively small segment of the whole NATO defence program at the moment. I suppose it is inevitable that Canada remain ambivalent and vacillating with regard to these matters. I suppose that attitude is inevitable in view of our pre-war record, and in view of our post-war record for that matter because, after the war, we immediately indulged in wholesale rapid demobilization. Then along came Korea and we were forced to assume what has been referred to by the Minister of National Defence as "crash planning" in order to meet the immediate challenge of the outbreak of hostilities in Korea. But in this year 1954 I think the time has now long since passed when we should break away from crash planning and should begin to look into the future—the long haul and the long pull —with regard to defence matters.

I do not want to speak for too long on this matter. However, surveying briefly what has been accomplished in the field of defence at the expenditure of some $5 billion, may I say that the emphasis, as I review the situation, has been on supply and construction and it looks to me as though personnel problems have been minimized. I am just going to refer briefly to what has taken place in the air force and also to what has taken place in that closely related field of radar defences. Then finally I shall make some brief references to the situation so far as materiel supply is concerned.

The heart of our air force defence program has been the development of the all-weather fighter, the CF-100. That of course is logical in view of the challenge with which Canada would be confronted by any possible air attack. We have now arrived at the stage where a token force of CF-100's is operational. I would suggest that we cannot go very much further than the preparation of a token force so far as the all-weather fighter is concerned mainly because technological changes in aviation are taking place so quickly that a new type becomes obsolescent almost before it is ready for operational duty.

That is a difficulty that goes right back to world war II. From actual experience with a night fighter squadron, I remember that one of the biggest bugbears we had to face was the constant reconversion to new aircraft and the extensive retraining in the use of rapidly developing airborne radar equipment. We have arrived at the stage where we have a token all-weather fighter force. This does not solve the problems of reserve squadrons because it is very difficult for reserve squadrons to maintain the efficiency necessary to cope successfully and to keep themselves up to an operational level so far as the all-weather jet fighters in service at the present time are concerned. I suggest that matter needs to be given serious consideration because if the reserves are the backbone of the defence of this country we are far from reaching the desirable state of preparedness that is mentioned so freely and glibly in the white paper report.

As to radar, I think the statement has been made in the house that we are now in a position to intercept nine out of ten enemy aircraft.

**Mr. Claxton:** No such statement was made.

**Mr. Dinsdale:** As I read the record that is the implication I got from the minister's statement. That statement has already been repudiated, and well it might be because no fighter-radar combination could possibly achieve that degree of success in coping with the difficulties involved in night operations, particularly bad weather operations. It is true that the two must be developed hand

in hand. All-weather fighters and the radar establishments are integral parts of the same system. Indeed, had it not been for the rapid development of radar or radio-location, as it was known in Britain, at the beginning of world war II it is doubtful whether the German luftwaffe could have been driven back during the crucial days of the battle of Britain. The secret of the operational use of radar was very carefully kept until the end of the war.

I remember that popular thinking during the war regarded members of night fighter units as individuals wearing mysterious dark goggles and eating great quantities of carrots in order to improve their vision at night. In my three years overseas I never saw any carrots. In fact, our staple vegetable diet was brussels sprouts which do not have any necessarily beneficial effects so far as night vision is concerned. It was due to the presence of a very efficient radar system that the battle of Britain was won which gave the allies an opportunity to prepare to meet the eventual onslaught of the nazi forces across Europe.

I mention that point merely to indicate the contrast today so far as this subject is concerned. We have very elaborate information on our radar establishments. In fact, *Roundel*, the official air force magazine, was even pinpointing these units for us a short time ago. Yet we are denied access to a report dealing with the broad subject of welfare for the troops as well as the problem of integration of military forces with the civilian population.

I am not going to elaborate on that theme any further. It seems to me that what we have achieved thus far is that we have spent large sums of money on material and equipment, and we have not yet come to grips with the real problem of any defence force in a democratic state, the problem of challenging the ordinary citizen so that he becomes keenly aware of his responsibilities in these matters, particularly in the face of the total war which threatens us at the present time.

It is almost one o'clock, Mr. Chairman, and before proceeding with one or two specific points on the subject of welfare I should like to call it one o'clock.

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**Mr. Dinsdale:** When the committee rose at one o'clock, Mr. Chairman, I was just coming to the concluding portion of my remarks concerning the general problem of welfare services as they relate themselves to the armed forces. The theme I was endeavouring to develop was that in defence matters as well as in any other public affairs in this country, there must be the closest possible co-ordination and co-operation between the government and the people of Canada.

I have just one further observation concerning the major emphasis that has been felt in defence planning in this country. Since the Korean incident we have been straining every resource and every fibre in building up the materiel demands of our defence effort; constructing permanent buildings, developing new types of aircraft and so on almost ad infinitum. But I do feel we have been neglecting the most vital part of the whole structure, that is the problem of personnel. It is a fine thing to have the best housed, best clothed, and best paid defence force in the western sphere of influence, but that does not necessarily mean that we have the most efficient defence force.

It occurs to me that the Roman legionnaires, at the time when the Roman empire was most vulnerable, could boast of all those things. They had the best equipment, the best materiel and all the other physical factors going towards the preparation of a defensive force. The one thing they lacked was good morale, the esprit de corps, and certainly there was very little integration and co-ordination between the civilian population and the military elite.

It seems to me, from the limited opportunities I have had of looking into our defence program, there is a lack of close integration. Elaborate training programs are carried on to meet the demands of technological warfare, but not much is done by way of endeavouring to integrate the military training programs with the needs of the civilian population. That is just one method whereby there could be closer relationship. It has been customary in any war effort to which Canada has made a contribution to make use of the civilian resources, buildings and so forth, to the maximum in order to effect complete mobilization. I sometimes compare the lavish sums of money that are spent in this process that has been described as "crash planning" in our defence build-up, with some of the financially restricted educational programs in civilian circles. The educational institution with which I was once connected, for example, carries on its whole year's work on a budget of $200,000, merely a drop in the bucket when compared with the lavish expenditures we find taking

place in our defence planning. Yet that institution has made many outstanding contributions to the public life of this country. The student body has included such people as the premier of Saskatchewan, the premier of Manitoba and no less a personage than the hon. member for Winnipeg North Centre. I am referring, of course, to Brandon college. I am raising that point to indicate that while heavy expenditure is necessary to meet the defence challenge of the moment, and we are spending billions, as the record indicates; let us not be entirely preoccupied with the urgency of the moment, a tendency of all governments. Let us look into the future and consider the commitments of long-term planning.

I feel that this is where the subject of welfare planning comes into the picture, Mr. Chairman. As I have indicated, I am not referring to the provision of recreation programs only, or providing canteens, which is basic to any military welfare program. I am concerned with the broader problem of bringing together the special needs of the military community and the special needs of the civilian population. So long as we are dependent on a civilian military force, these two aspects of our defence program will have to work as one.

In a letter from the defence minister last January refusing me access to the Hendry report, this report is described as a special report prepared for the confidential information of those concerned. I cannot conceive of any group who should be more concerned about this matter than the members of this house. Our whole problem of raising the morale and esprit de corps of the people of Canada to meet the challenge of the moment is of vital concern to all the people of this country.

There has been a lot of discussion in the press concerning incidents that crop up in military camps from time to time. There has been resulting criticism laid at the door of inadequate welfare and recreation facilities. I am not going to harp on, or labour, that particular point, because those incidents will occur in any large military force where you have a group of men who are uprooted from their regular community ties. Special social problems and personal behaviour problems are bound to occur under such circumstances. These have to deal with the narrower welfare approach. Routine recreation programs are necessary, as are canteens. Those things are basic and almost axiomatic; we have to provide those services in the regular civilian community. There has been a tendency in recent years to increase the contribution the public bodies make towards welfare programs of this kind in order to offset the impact of commercialized recreation, which I feel sometimes should be spelled "'wreckreation", rather than in the traditional manner of "recreation".

A comprehensive welfare program that is going to deal with the larger problem must tie in the voluntary groups. Indeed, in any crisis it is usually the voluntary groups who carry the main burden of responsibility and, in turn, it is these voluntary groups who, by means of their close contact with the civilian population, are able to arouse the necessary enthusiasm and interest among the citizenry generally in order to have them make a worth-while contribution to a welfare program. Again, it is through the voluntary groups that the contact with the home can be made and maintained. At the moment the Department of National Defence, so far as I can gather, is moving forward in all these categories. The routine recreational program is being strengthened, canteens are being provided, and an attempt is being made to work more closely with the voluntary groups. I do understand however that, so far as home contacts are concerned, we are still pretty well dependent upon the Department of Veterans Affairs to investigate the home situation and to make its report. Unfortunately the difficulty there arises from the fact that, having examined the situation and having given their report, they have no service to provide. As we know, the Department of Veterans Affairs is restricted in what it can do. So the net result is that they suffer from paralysis of analysis. All they can do is outline the problem. They have no resources for assisting in the solution.

There is another matter connected with this subject of welfare suggesting the tendency to segregate civilian from military needs. Right across the country there has been a tendency to carry on a program of segregation between the military camps and the civilian population. I was not in on the preliminary post-war discussions of mobilization for defence planning in Canada, but it seems to me that to segregate military formations, and to isolate them in self-contained army, air force or even navy encampments, is working against the real needs of a comprehensive and all-out defence program which would tie in our civilian population so that, if a crisis ever came, they would be aware of the problem and fully alerted to the responsibilities relating thereto.

Summing up, I would say there are immediate plans that have to be made to meet what has been called the demands of creeping mobilization, which has been the defence

program up to the present time. We have been adjusting ourselves slowly to the needs of this creeping mobilization. The situation has improved slowly. I am sure that had we had access to reports such as the Hendry report, we might have been able to make complimentary remarks concerning what has been going on, because no doubt the report contains a thorough examination of the situation. But we are working in the dark. We can give our viewpoint and express our conclusions only from a very restricted background of knowledge. That is the handicap under which we are working at the present time.

In addition to immediate plans, there is the need for long-term plans for total mobilization, if that desperate situation should ever develop in this country. It seems to me that, so far as welfare needs are concerned, here is where we are weakest. There is no group engaged in comprehensive over-all planning. The chaos which would result from a lack of co-ordination and integration, and because the situation has been obscure, owing to the attitude of the defence department in trying to assure us that all is well, would produce a very difficult situation, if a major crisis ever developed.

In connection with all these matters I maintain that the House of Commons should be taken into the confidence of the cabinet and its advisers. If anyone is vitally interested in these matters, then surely it should be the elected representatives of the people. Defence planning must take in the whole of the population.

I hope that some discussion along these lines will take place when we are dealing with civil defence. There needs to be co-ordination and complete integration if we are going to be in a position to meet the defence challenge of the moment.

**Mr. Hansell:** Mr. Chairman, I should like to say only a word or two in the discussion of the first item of the estimates for the Department of National Defence, although I claim no expert knowledge in matters of national defence. I have never been a member of the armed forces. Apart from the occasional hunting trip I have never fired a gun, and I do not claim to be an expert on these matters. Nevertheless I think something should be said on one or two points.

I listened attentively this morning to the leader of the official opposition who, in many respects, seemed to be giving quite a speech. I did think however that in some respects it was a bit weak. Because I support the Leader of the Opposition in some of the things he said, I would not want the minister or the government to gain the impression that I supported him 100 per cent. For instance, I saw no particular reason for bringing up the old story about the horses on the payroll.

I was here in the last parliament, of course—as I have been for a number of years. We all heard the story about the horses; and, frankly, I must confess I was pretty well satisfied with the Prime Minister's reply. I thought he replied conscientiously in the matter. Further, a committee of the house was set up and had every opportunity in the world to go into the subject. They had before them the man who was responsible for the Currie report. I had expected some fireworks in that committee, but there did not seem to be very much by way of an explosion at that time. I must confess that, after all the hullabaloo that went on about these things, I thought our Conservative friends fell down just a little bit in carrying out any vital investigation during the sittings of that committee.

For the Leader of the Opposition to bring in that matter this morning, after so long a time has passed by—for after all this was a matter that was brought up in a session previous to the last election—was rather small potatoes. I think it weakened his whole argument because I felt, well, now, surely he has something more important than that to bring up at this time. It is true, and I do agree with him, that since we have an expenditure of about $2 billion for defence, we have every right to know that it is efficiently spent; we have a right to know that we are getting a dollar's worth of efficiency and effectiveness for every dollar spent.

If there are any documents that might be regarded as secret, if those documents apply to such matters as defence strategy or some particular piece of equipment that it is not wise for the enemy to know about—and I doubt there is very much that they do not know about—if there is anything of that kind, I can quite understand how certain documents might be regarded as secret. But if those documents are involved with government policy, or the general conduct of the Department of National Defence, then I do not believe that any documents should be secret.

What I rose particularly to talk about was this. I wonder just how enthusiastic the people of Canada are in subscribing to the annual revenues of this country to the tune of $2 billion for defence. Are they enthusiastic in coming through with that much

money for the carrying on of this department? I cannot answer that myself, but I do believe that you cannot go farther in defence expenditure or in anything else, as far as that goes, and have the support of the people, without carrying the people along with you, and letting them know what the score may be.

I am just wondering whether we have done a good job of really conditioning our people to what might be regarded as necessary in respect to our national defence budget. We use the term "national defence budget" but in reality it is a military budget. We use those terms because we do not like to have any connotation which might indicate that we are aggressive. But in reality it is a military budget, just as much a wartime budget as if we were in a war, although we are now living in peace and there are no particular shooting wars. Have our people been conditioned properly to understand even the potential powers of the enemy and the necessity of such vast expenditures for a small nation of 15 million people? I am inclined to think that instead of conditioning the people to withstand a formidable enemy, in many respects we have been conditioning the people to accept the enemy and accept them on their terms.

It seems to me that in the matter of public relations in this respect we have fallen down completely on the job. It seems to me that we have been playing cat and mouse with those who we know are our enemies, and more often than not we have been the mouse, and we have not gained many victories over the cat.

May I put it this way. Any gain geographically or in any other way that the Soviets have made has not been owing to any military successes. It has been owing to a type of propaganda, and yet they have gobbled up half the world without even firing a shot. I am not saying they have not aided and abetted other countries behind the iron curtain, but they themselves have been able to stay out of any military complications. They have done it by carrying on a real psychological warfare, both in the diplomatic field and in the field of propaganda throughout the world.

What are we doing psychologically to weaken them as they have been doing to weaken us? What are we doing psychologically to weaken the Soviets and those other powers behind the iron curtain? Well, they have certainly not overlooked the opportunity to weaken us within our borders. The object of their psychological warfare is their destruction of western democracy. This is all involved in a matter of defence. I should like to know what we have actually been doing to weaken communistic dictatorships in the communist countries. We might boast that we have the atom bomb. So have they! We might boast that we have certain strategic bases and positions. So have they, to a very large extent; and, as far as I can understand it, they can match us man for man and gun for gun. But there is one place in which they cannot match us, and that is in the exposition of our way of life as compared with theirs.

I know what might be said. Well, we have to be careful because that would not be diplomatic protocol. All I would say to that is, how much do they care as to what is diplomatic protocol? They are out for the destruction of our way of life. I am going to suggest that the Department of National Defence take over the international short-wave service and really use it to engage in psychological war; for that is what they are doing continually. If it is not used for that purpose, to my mind it serves no purpose at all.

**Mr. Hosking:** Mr. Chairman, it is not my intention to take up much time of the house in speaking on the estimates for national defence. However, there are one or two things about which I think I should express an opinion in view of the speeches which have been made here today. One matter I would like to suggest the minister should take under consideration is with regard to the pay for reserve forces who are employed by the dominion government. When I was on the city council of Guelph in 1948 we decided that the employees of the city who went to military camps for training as members of the reserve army should have their pay made up by the city so that they would not lose any money. I supported that because I thought it was the proper thing to do, and I would urge our government to give such a scheme their consideration today.

I would not suggest that they treat the taxpayers' money lightly and just go ahead and pay wages to these men to the same extent as they receive in their civilian job, although there are provincial governments, for instance the one in Ontario, which do. I do not think our government should take such a free attitude with the taxpayers' money that they are prepared to pay anything. Indeed, if my suggestion is accepted I would suggest that a further restriction be incorporated. I think it would be helpful to our reserve army if we made up that proportion of the recruit's pay so that he would not lose any money while attending camp, but in order to qualify for that allowance the recruit must turn in a report from his O.C.

verifying that he had attended a certain percentage of the regular drills. This percentage could be set at 75 or 80 per cent. If a recruit did that, then I think the government would be justified in making his pay up so that it would not be any hardship for his family if he attended a reserve army camp for training.

As most hon. members are no doubt aware, I represent the dominion artillery city, Guelph, and as the Leader of the Opposition pointed out early this morning, artillery is a very important arm of the services. Of course, everyone knows that the engineers are the backbone of the army, but since I represent an artillery city I would concede that they take second place. I was—

**Mr. Ferguson:** What about the S.R.D.?

**Mr. Hosking:** I will come to that in a moment. I was touched by the magnificence of the address made this morning by the Leader of the Opposition. I envy his masterful style, and the cadence of expression he can get into his voice, but I want to tell him it has been my experience that the men in the army we used to refer to as "barrack room lawyers" were not very much admired. They used to say that the barracks were no good, that the officers were no good, the grub was no good, and in fact everything connected with the army was no good; and it has been my experience that they exercised very little influence for good on the morale of the troops.

If we are trying to get boys to join the reserve army it is hardly fitting for the Leader of the Opposition to stand up here and say that on reserve army parades there are more officers present than men. I do not believe that would inspire one single person in the Dominion of Canada to join a reserve army unit. That type of propaganda has never been made in my hearing by his supporter, the hon. member for Simcoe North. I have listened to him on several occasions both inside and outside the house, and he has always claimed that the army training he received was something of which he was proud. He makes the kind of speeches that will inspire our boys to join the reserve army.

If the Leader of the Opposition is really interested in getting men to join our reserve forces, that is the sort of attitude he should take, and he should not suggest that we have an army of thieves, a reserve army comprised of people who will not take part in their parades, and that more officers are present than men. He should leave out all these arguments, of the type which are used by the barrack room lawyers to make out a very bad case for conditions in the army.

It would be far better if the Leader of the Opposition listened to the hon. member for Cape Breton South when that hon. member told us about his experiences and the good times that were had in the army. Everyone who has been in the army knows it is not all hard work. There is plenty of hard work but there are good times in the army too. There is good fellowship, great experiences, and good training. Those are the things that will attract recruits, not the sort of dissertation indulged in by barrack room lawyers, who always annoyed those charged with the responsibility of doing a job when we were overseas. I do not think any reasonable person either in the army or in civilian life would expect a training unit to have a full complement of guns on exercise. When the Leader of the Opposition mentions this fact he gives the impression there is not sufficient equipment for the troops who attend army reserve training camps to enable them to obtain a good training.

**Mr. Harkness:** Neither there is.

**Mr. Hosking:** That is not the case. Here again I must refer to my artillery friends, for the officer commanding that unit told me they had the very best of equipment, food, and conditions in camp. They did not come back and report to me that the food and conditions were bad and they were short of guns. In fact, they told me the absolute reverse of that, and the people who criticize and who are always complaining do very much to break down the morale of our troops. I do not like to hear it and I do not think it is a good thing for our country.

We have difficulties enough in inspiring in our people a belief that our country is worth fighting for and that it is necessary for a certain number of citizens to assume the responsibility of defending it. Those are the principles on which our democratic people join the army. The socialists, who want to see everyone's service paid for, will never inspire anyone to join the army, and under their system it is impossible to get good troops. The only way to get troops in a socialist country is to conscript them, and the same is true of a dictatorship. This is also true whether in time of peace or in war.

However, in a democracy there is every good reason to fight for one's country; that is the reason why people join our reserve army and fighting forces. It is certainly not for any of the other reasons which have been mentioned.

There is one other point I would like to mention. If it is agreed we are going to have a large standing army for years, in this country, I think the Department of National Defence should give serious consideration to

taking over some of the construction work which is done for the dominion. I am quite convinced that there is no better proving ground for tank operators, tradesmen and men of the ancillary services of the army than in construction work. If the personnel of our army were to build a trans-Canada highway from one side of this continent to the other, we would have the best trained troops that it would be possible to have. By doing this work, there would be an opportunity to teach discipline, there would be opportunities for various members of the army to show their ability, and there would be an opportunity to train the troops to do things. The United States army does that. The United States army engineers do a great deal of the civil engineering work for that country south of us. We are going to have construction work here for years and years to come. With the deepening of the St. Lawrence seaway, there will be ports and docks to build. In a great deal of the construction of that seaway itself there will be work that could be done by army personnel. Where could we get a better place in which to train troops including our electricians, our mechanics, our signallers, and all the special units. There would be a wonderful opportunity to make use of the available army manpower that we apparently must have in this country for many years to come. I would ask the Minister of National Defence if he would not give serious consideration to this suggestion in order to see that the troops we must have in this country would get some practical and useful work which would make them better fighting troops if and when they are required to do the job for which they were signed up.

**Mr. Churchill:** Mr. Chairman, I am taking part again in this debate owing to the completely unsatisfactory statement which the minister made on May 21. As reported at page 4992 of *Hansard*, in reference to the fact that I had mentioned armour, he said this:

> This matter has already been dealt with in the house on April 15, 1953, on December 1, 1953; and on several other occasions we have gone over the same ground.

The implication conveyed by this sentence is that the subject of armour has been completely dealt with in the debates here in the house. The implication is that the minister has covered the ground fully and carefully with regard to armour. The actual fact is that no such thing has been done.

If you look at the first reference which he gave, Mr. Chairman, that of April 15, 1953, you will discover that we were then discussing the suggestion which had been put forward by the opposition for the employment of an armoured brigade in Europe instead of an infantry brigade, and that the minister simply dismissed the idea out of hand. His second reference is to December 1, 1953. His reference is correct in this regard, namely that the matter was fully covered; but it was fully covered only by me. I made a speech on December 1. The minister did not do so. I dealt with the necessity for armour in the Canadian army and lamented the fact that the armoured corps was being sadly neglected. I appealed to the minister to put his mind to the problem of employing the armoured personnel carrier in order to save the lives of Canadian infantry soldiers. That was the speech of December 1. The minister had no part whatsoever in the discussion that day. He had spoken in the debate on the speech from the throne on November 26 and in the course of his remarks he did not once mention armour.

When I spoke on this matter last month, again I dwelt on the subject of the neglect of the armoured corps and I was ably supported by the hon member for Calgary North and others. I suggested to the minister that, if it was not possible to adopt our earlier suggestion of maintaining an armoured brigade in Europe and an armoured brigade at home, rotating the two, in order at least to get the army back into proper balance we should maintain an armoured brigade at home, and that that would require activating another armoured regiment, brigading it with the Royal Canadian Dragoons and the Lord Strathcona's Horse, setting up brigade headquarters and carrying out here in Canada armoured brigade training. The minister completely ignored this suggestion. He paid no attention whatsoever to it. The statement on May 21 refers to the impossibility of rotating the armoured regiments. Let me just read his statement so that you will see what it is:

> I should like to point out that it is impossible to work our present armed forces, with their commitments in Korea and in Germany and the requirement of having a mobile striking force of airborne troops, and still have two armoured regiments rotating abroad. You just cannot figure out mathematically a way of using the same manpower to do that complicated operation. Once you train a man for armour, you do not want to use him in the infantry and vice versa.

Mr. Chairman, this is one of the typical statements of the Minister of National Defence. He has acquired a national reputation for statements of this nature which are all-embracing, comprehensive and completely meaningless. He has completely evaded the issue. At no time have I suggested that an armoured regiment be maintained overseas and be rotated with the other armoured

regiments at home. I talked in terms of an armoured brigade. At no time have I suggested that you should train a man as an armoured corps man and then use him in the infantry or should train a man in the infantry and then use him in a tank. Only the minister could come forward with a suggestion of that nature. It has no meaning. It is confusing. It may confuse the general public. It may confuse those who have no knowledge of the army. However, it certainly has not confused anyone here on the opposition side. It beclouds the issue unnecessarily. What a suggestion to make! The minister has told us that we cannot do this because it involves training a man for armoured vehicle purposes and then sending him overseas and using him as an infantryman or of training a man as an infantryman and employing him in a tank. That is utter nonsense.

In completing his statement with regard to my request for greater use of armour, the minister said this:

> Also, of course, an armoured brigade would cost about $100 million more than a corresponding infantry brigade.

That is the end of the quotation. There is no break-down made with regard to the number of vehicles required or the number of men, nor is there given any estimate of the cost by regiment or anything of that nature. It is just one of those general statements. The minister says it will cost $100 million more for an armoured brigade than it would for an infantry brigade. Earlier the minister had said that the cost of the present infantry brigade in Europe, to maintain it there, was approximately $60 million a year. The implication then is that an armoured brigade similarly placed would cost $160 million. I suggest to the minister that he produce his figures to indicate how he arrives at this grand total. For one thing, based on the figures found in the handbook for war establishments published by the Department of National Defence, an armoured brigade would require 500 fewer men than an infantry brigade, and if you work out the cost of 500 men on an annual basis with their pay and allowances—the figure given to me last year was something in the neighbourhood of $7 per man per day, but it must be higher now—you would effect a saving on pay and allowances, even accepting that figure, of $1,500,000 a year as between an infantry brigade and an armoured brigade. That is without taking into account such matters as married quarters and schooling for children, because obviously there would be fewer married quarters required and fewer children to be educated if you had 500 fewer men overseas.

Let us consider the question of equipment. An armoured brigade requires 232 tanks. Some of these tanks are used for different purposes, some are small and some are large; but for our discussion here I think it would be fair enough to consider that they might all be Centurion tanks, the gun tank that was the normal equipment of our armoured regiments. The cost of the Centurion tank is roughly $100,000. Two hundred and thirty-two, the equipment for a brigade, would give you a cost of $23 million. It is not a recurring annual cost. Tanks do not disintegrate and become unusable in just one year. They last for a very long time. The reserve army regiments of the armoured corps are using for training purposes tanks which must be at least ten years old. The minister may remember that in the year 1940 at Camp Borden the first Canadian armoured brigade used for training purposes tanks which had been manufactured by the United States in 1918. They served a useful purpose. They were still serviceable to a certain extent over twenty years later.

Therefore the expenditure of $23 million to equip a brigade fully with tanks is not an annual recurring expenditure. How then does the minister get the $100 million more for an armoured brigade than for an infantry brigade? Even though we make a generous allowance for other things, spare parts and so on, and take a figure of say $30 million, there is a discrepancy of $70 million for which the minister has to account. I hope he will give us an accounting rather than brush aside an armoured brigade on the implication that it is prohibitive in cost. It is not prohibitive in cost, and in any case it would not mean at this time an additional $30 million added to the national defence budget, because surely we have come close to the end of some of the stockpiling that is going on of soft goods and things of that nature and can divert to actual fighting vehicles some of the money which has been set aside for other matters.

The minister in his statement has, I think, confused the issue completely. I have maintained that the Canadian army is out of balance. Other nations are still maintaining their armoured formations—the United States, the United Kingdom. Canada has fallen behind. We have produced an infantry army with the supporting arms, artillery and engineers, and it is a good army for infantry work. But that is the type of army we had from 1914 to 1918. It is not a modern mobile force, and it is a modern mobile force that is the requirement at the present time.

But the minister refuses to consider this problem. He is content to let the armoured corps remain at the strength of just two

regiments, content to raise and equip infantry formations, and is not taking the precaution to see that those infantry formations are protected against loss of life. The experience of the last war showed very clearly that infantry can be protected against unnecessary loss of life, particularly in an advance. In the course of my remarks in the house during the last three years I have repeatedly referred to Canada's great discovery and invention, the armoured personnel carrier, which has been neglected by the Canadian army since the war. I cannot understand why that should be so. But I find that in the United Kingdom they are providing armoured personnel carriers for the protection of their infantry. In the United States they are doing the same thing. It is astonishing to turn to the issue of *Life* of June 7 of this year and find pictures and an article with regard to an armoured personnel carrier that has been devised and is in use in the United States army, and for which they are appropriating the sum of $50 million.

It is a very wise investment indeed, and I should like to read a sentence or two from the article to indicate what is involved. Appropriately enough, they are calling these vehicles "lifesavers", which is what they are. Here is the description:

> The M-59 "lifesaver", a boxlike vehicle with tread to carry it over bad terrain and armour to ward off machine gun bullets is the United States army's latest and most promising attempt to adapt infantry to mechanized and atomic war. Carrying a squad of nine riflemen, it can keep up with tanks and take infantry across open ground which would be suicidal in foot attack. It also enables friendly artillery, firing ahead of infantry, to keep shelling until the last moments since shell fragments also bounce off the M-59. In atomic warfare, where mobility under fire is the key to ground tactics, the M-59 lifesaver would be invaluable. It has been called a "mechanized atomic foxhole", its armour providing protection against radiation and heat flash and its 30-m.p.h. speed permitting quick dispersion.

I think it is a rather sad reflection on the Department of National Defence that Canada, the country which produced the armoured personnel carrier, should now be last in the field, and that we have to turn to the United States and the United Kingdom to discover what is being done along this line. But that is necessary for infantry tactics on the battlefield if our purpose is to save the lives of infantrymen. I submit that the lives of infantrymen have been sacrificed needlessly in two or three wars in which Canada has been engaged, and that fact is known to all. But Canada discovered a means of saving the lives of infantrymen in the last war and should adopt that means now for the protection of our men.

[Mr. Churchill.]

Again I say that the minister has neglected to deal adequately with this particular matter. I went to some length, when I spoke on this subject last May, to point out that we were failing to train the high command properly if we did not provide armoured formations within a brigade so that they could become accustomed to using armour, artillery and infantry in conjunction; and until we do provide armoured formations in adequate number we will not train the high command properly. From that we will suffer serious results because it is essential that those who are placed in command of armies know how to use properly all arms of the services. Unless we provide an armoured brigade, train it on a brigade level and provide it for the training of divisional and corps commanders, there will be little effective training of those who will attain high command in our Canadian army.

You see what we have done, Mr. Chairman. Earlier this afternoon the hon. member for Macleod was asking if we were getting a dollar's worth for a dollar expended in national defence. I have intimated people would be satisfied if that were the case. I think we cannot get a dollar's worth for a dollar expended because we are out of balance so far as the Canadian army is concerned. We are producing an army in the 1914-18 pattern, and conditions of warfare have changed and are changing very quickly since the development of atomic weapons. Those people who are in command in Europe over our NATO forces are asking for mobility and more mobility. In a newspaper not long ago one of our own distinguished generals commented upon and stressed the necessity for mobility of troops in the field. What are we doing about it? You are not very mobile on your flat feet. You have to have tracked armoured vehicles, tanks and armoured personnel carriers, if you are going to make your infantry forces mobile and if you are going to protect them. We are not, therefore, keeping up with the times and the responsibility rests with the Minister of National Defence.

I think it is a pretence to suggest that our brigade in Europe, fine as it may be as an infantry brigade—I think it is one of the finest because it has so many veterans of the second world war and Korea in its ranks—is an effective fighting machine against the type of attack which may be launched against that brigade by the Russians. You have only to recall how the Germans swept through Europe in 1940, with a very small mobile armoured force, to realize the truth of my remarks. The Germans were opposed at that time by infantry forces similar to our infantry forces.

Infantry forces of that nature are ineffective against powerful armoured formations. You have to have tanks and a preponderance of artillery if you are going to resist armour. We have committed our infantry brigade over in Europe to a very great hazard. I am surprised the Minister of National Defence does not recognize that and does not take effective steps to put the brigade in better condition to resist attack.

I shall conclude these remarks, Mr. Chairman, with a reference to the white paper. The white paper lists three objectives of our defence policy, namely defence against direct attack on Canada; implementation of undertakings for collective security, and the build-up of our organization for total war. In my opinion, the minister has fallen far short of achieving any of these objectives. The second one, in my opinion, should be rewritten and instead of saying, "implementation of undertakings for collective security," which is an odd and general phrase that might mean anything, I think we should say, the provision of fully equipped and highly trained forces and formations of armour, artillery and infantry suitable for modern mobile warfare in order to implement any undertakings by Canada for collective security.

**Mr. Herridge:** I do not intend to detain the committee very long.

**Some hon. Members:** Hear, hear.

**Mr. Herridge:** Some hon. members say, "hear, hear", that is a good way to extend debate. First of all, I want to make a reference to the remarks made by the hon. member for Wellington South. He made some rather caustic comments about the principles of socialism, and then went on to say there was a good deal of happiness found in the army. That statement is quite correct, and I agree with it. Why is there a great deal of happiness found in the army? It is because of the sense of security provided by an assured income, permanent employment, good housing, clothing always provided and three good meals a day for certain. I must admit that so far as Canada is concerned, these things are provided in good quantity and quality. All the socialist wants to do is to provide the same sense of security to the whole population in Canada which many do not enjoy now.

**Mr. Studer:** The same is true of being in jail.

**Mr. Herridge:** Mr. Chairman, is the hon. member for Swift Current-Maple Creek suggesting that being in the army is like being in jail? I am amazed. How is that condition obtained? It is the result of government organization and government action. From time to time we in this group are asking the same things for those people who do not enjoy similar security.

Strangely enough, I disagree with the hon. member's comments in one respect, but I support them wholeheartedly in another. The hon. member suggested we could use some of the members of the permanent forces for construction purposes, the building of roads and bridges. Speakers at a recent conference in Canada concerning our renewable natural resources suggested these men could be used for fire-fighting purposes. Here we are in Canada lagging in the building of the trans-Canada highway, lagging in the building of roads and bridges everywhere, and we have this great force of excellent men available who, no doubt under present conditions, will find themselves in the army for a number of years. I believe the hon. member's suggestion is an excellent one, and I support it.

These men would gain experience from useful employment that would be of great advantage to this country. I have had letters from men in the forces who tell me they get tired of digging a hole and filling it in again, of building a bridge and pulling it down, and of doing all those things that are necessary to train engineers, and pioneers over and over again. I feel the hon. member made a very good suggestion. We could perhaps rotate a proportion of our armed forces and use them in construction of trans-Canada and other highways that are so necessary at the present time. At the same time they would be gaining experience that they have to gain in other less useful ways.

I was very pleased with the minister's reply to my brief comments in the debate when the estimates were before the committee on a previous occasion. He told the house there were no members of the defence forces who served in the second world war, and who committed offences, that were still in jail. I was very glad to hear that indeed. I wish to make another brief appeal with respect to officers and other ranks who were dismissed from the forces and who lost permanent pension rights and other rights as a result of military offences which, in some cases, would not be serious offences in civil life. In my opinion these men should receive at least equal consideration to those in the R.C.M.P. I will quote from a Canadian Press

dispatch in this respect. The dispatch is headed "Misconduct Mounties given Pension Break". It reads:

> Seven members of the RCMP discharged since 1949 for inefficiency or misconduct will have their pensions restored in part under legislation introduced in Commons.
>
> The bill changes an RCMP pension plan, in effect since 1949, to allow a partial pension to be paid to members of the force discharged for inefficiency or misconduct.
>
> Justice Minister Garson informed the house that the measure will be made retroactive to cover seven members discharged for those reasons in the last five years.
>
> He said the change is being made to put insurance plans in line with the former pension plan under which those discharged for inefficiency or misconduct were eligible for half-pension until the age of sixty-five and a two-thirds pension after that.

I feel that if the Minister of Justice can give former R.C.M.P. personnel a break in that respect our defence minister should give those men who are suffering from their misdemeanours under military law a break. Therefore I appeal for a reconsideration of their cases.

I want to mention another little matter that rather intrigued me. I am speaking as a sort of backwoodsman without any knowledge of the details of present military life. I was interested in a press dispatch in the Ottawa *Citizen* of June 16, 1954, headed "Not Permitted to take Salute". Then, it goes on to say:

> The dispute centres around a plan that the mayor would take the salute of the Cameron Highlanders regiment in a ceremony at city hall square on July 1.

I want it to be understood that I am not taking the mayor's part or anything of that sort, but in my opinion there is a principle involved here.

> The army has advised that the mayor cannot take the salute—that this honour is reserved to the Queen, her official representatives, the Minister of National Defence and senior army officials.

I did not know this privilege was so limited, because I have seen mayors take the salute before. Senator McGeer while mayor of Vancouver took the salute on one occasion in the city of Nelson from the armed forces present. My question is this: Upon what regulation is this ruling based? When the minister is replying I would like him to answer this question: Does this ruling preclude the Prime Minister of Canada or the premier of a province from taking the salute from a regiment? I cannot understand in a democratic country why the Prime Minister or a premier of a province would be denied taking the salute from a regiment of our armed forces, because of regulations. I get the very strong suspicion that this is a musty old tradition that has come down from the Victorian period, and that some obscure and unknown official of the armed forces has dug it up from the dusty files to thwart the wishes of the present mayor of Ottawa.

**Mr. Knowles:** Some people would like to give her a 21-gun salute.

**Mr. Herridge:** As a matter of fact, I may not leave Ottawa until midnight July 1, because I want to see the ceremony.

I come now to my last point. We in Canada look upon our defence forces as a citizens army, whether these citizens are in the permanent force or the reserve army. At this point I wish to pay tribute to the members of the reserve army who give their evenings and summer holidays over to training in the reserve force. I think they should receive every encouragement. I know the two or three units in my district struggle along under considerable difficulty and, particularly in Nelson, with very little accommodation and equipment. But these few men at least carry on a very useful work, and I should be very pleased to hear what is going to be done in the future to improve the position of the reserve army, and support their efforts.

Canadian citizens who fought in the first and second world wars did so for the defence of this country, because they had a general understanding of and respect for democratic principles and democratic ideals—and that means a great deal in any army. They had faith and belief in certain principles, which gave weight to their blows against the enemy. And, because of that strength, engendered by such principles, a totalitarian dictatorship was defeated.

I wish to see our army maintained as a citizen army and I would hope it will continue to be composed of people who believe in democratic principles and in democratic ideals, and who are willing to defend this country because they believe in those ideals. I believe the hon. member for Macleod made reference to the same subject, that our army should be composed of persons of that kind.

However, I have been a little bit disturbed by reports I have received, and to which I am rather inclined to give some attention. I would ask the minister three questions which I trust he will answer when he replies in this debate. First, are German immigrants being brought into Canada who served in the armed forces of the Third Reich, who are not citizens of Canada, but who are being enlisted in the armed forces of this country? If so, in what numbers?

**Mr. Ferguson:** They are being enlisted now. And it is a good thing they are; they are good fighters.

**Mr. Herridge:** The hon. member can make his speech later.

**Mr. Ferguson:** I am informing you.

**Mr. Herridge:** I wish to say this, that if I depended upon the hon. member for Simcoe North for my information, I would be misinformed very often.

**Mr. Ferguson:** You would be more accurate than you are now; you would not make as many mistakes.

**Mr. Herridge:** My second question is this: If so, were any of these men who have been enlisted in the armed forces of Canada awarded the iron cross or other decorations, personally, by Hitler, because of aggressive action against the British or Canadian troops?

My third question is this: Have any of these men asked permission of their commanding officers to wear these decorations on Canadian uniforms? That is all I have to say at the moment. I believe the hon. member for Simcoe North is ready to speak.

**Mr. Ferguson:** Yes, I am. I am not sure whether the Minister of National Defence got this preferred position near the closing hours of the session so that it would be run through in as few hours as possible. But in my opinion this is one department that should have had a full-scale discussion. It is one department of government that is spending many more millions of dollars than any other department.

One of the motives which prompted me to stand as a candidate for parliament was that I enlisted in the first war, and at the time I enlisted I had great faith in the government. I thought: Well, we have a good minister of national defence in Sam Hughes. He has all the information available from that great British war machine. But it was not very long before I realized the truth of the situation.

The British government had been forced into war by the kaiser, and there was never any group of people more unprepared to meet that war than the people of the British Empire. That war was not necessary; it was absolutely unnecessary. But we always sat back and said: Well, we will not believe the facts we see; we will not believe the kaiser has built an army so large that the only thing he can do is to start a war.

No, we were not prepared. Men were sent overseas with insufficient ammunition in their pouches to defend themselves. I served one whole winter, personally, in the trenches as second in command of a company. There was only our company commander, with myself, in those trenches during the entire winter on our piece of front line. In March seven or eight officers came to reinforce the company.

Many situations are similar today. At the time of the last war I talked to the manager of the Hotchkiss company of France. This man was an Englishman. When France was taken by the Germans he paid a visit to Canada, and during that visit came to my home. I said to him, "Well, the French capitulated." Bear in mind that this chap was an Englishman. He said to me, "I do not blame them, at all."

Let us be frank about it. At that time the great braintrusters in England said to the French, "You build the Maginot line and you can hold the Germans there. We will be prepared to stop any German rush on the beaches."

What was the result of the preparations for defence? Well, the Germans came down through Holland and Belgium. They circled around the Maginot line and came in behind it on the beaches. This man was one who had aided Lloyd George tremendously in the first war in the production of munitions. He was not just some man who was shooting off his mouth concerning something he knew nothing about. This man just escaped from France with his life when the Germans came in. He told me there were only about 27 anti-aircraft guns in the whole of the British Isles when war broke out—or maybe it was 28.

Knowing these things to be true, and knowing from personal experience that we have never been prepared, I have always felt that as members of parliament, irrespective of politics, we should come to Ottawa and offer our little bit, for what it may be worth, as the representatives of the people in the constituencies of Canada. We should do this irrespective of politics, so that, with an open mind, the minister would be able to accept advice, even from opposition members, if it was worth while. Members of the Liberal party should realize what they owe to their constituents, not just during a war but before it starts, to make sure of one thing—that Canada is prepared, so far as she can go.

Do not bother so much about what the other fellow is doing. The Americans may be adequately prepared; the people of England may be, or they may not be. We have an obligation here in Canada, as a group of people sent to Ottawa, to look after the rights of the people and to prepare ourselves. We can aid very little when the minister hides behind the iron curtain as far as information regarding our armed forces is concerned. We as

members of parliament duly elected from every section of this country are big enough and ugly enough to take the cold facts whether we are adequately prepared according to conditions in the world today. We are either prepared or we are not prepared. We can take it on the end of the nose if we need greater taxation, greater expansion, greater sacrifices now before the war starts rather than months after it starts.

Down in Barrie we have an armoury that was built in 1910. It is not big enough for sea cadets or the flying corps cadets to train one-tenth as properly as they should train, to say nothing of men in the militia. We find this government building—what they call armouries in certain communities. In my opinion they are glorified bar rooms for leading citizens to consume liquor in for hours at a stretch.

**Mr. Pickersgill:** Has the hon. gentleman any personal experience?

**Mr. Ferguson:** Yes, I have, and enjoyed it. I am not a hypocrite like some people I know but it was not built intentionally for my enjoyment or for the enjoyment of anybody else. It was built to train troops, or else take the name "armoury" away from it. Why do we not get down to facts? Why try to satisfy a handful of people in the militia in a small community by putting up a luxury building with beautiful furnishings, lovely drapes and a bar, and have the members of that particular section of the militia go out and solicit people to come in and have a drink of liquor in those places? They are now competing against the veterans' beer parlours. These are the facts. They are known to everybody. I have no objection to drinking liquor, not at all. I have drunk it on every occasion all my life, and I will continue to do so, if that is any answer to you.

**Mr. Gauthier (Portneuf):** Be careful.

**Mr. Ferguson:** That has nothing to do with the question of preparedness. We are not prepared in this country. If the minister is properly prepared for conditions which might arise he should be the proudest man in the Dominion of Canada, and he should come out and say, This is what we have; we defy any enemy. This is what we have in this country. We have adequate places in which to train people; we have adequate camps. We have no trouble with recruiting; we are proud of our army and the people of Canada are proud of the army. Young men are falling over themselves to belong to a group of Canadians of whom they should be justly proud. Young men wearing the Queen's uniform have every right to stick their chests out and hold their heads high, and say: We are members of the armed forces.

We should have no difficulty with recruiting; but as long as the minister is going to permit senior officers to take an emblem off the caps of a certain branch of the forces—the hon. member from Newfoundland throws his head back, guffaws and laughs. That is symbolic of his party, Mr. Chairman. That is exactly what the minister has permitted in the air force. When the minister laughs about the removal of the crown from the caps, I say it is not helpful to this country. The crown is a symbol, and thank God most of the men and women of the country are very proud of it. But there are some who throw their heads back and grin when the crown is mentioned.

**Mr. Pickersgill:** What about the time when your friends took it off the motor licence plate?

**Mr. Ferguson:** Two wrongs never made a right. You are now talking about a piece of tin plate on the back of a motor car. That has no comparison with Her Majesty's forces in the Royal Canadian Air Force of Canada.

**Mr. Gauthier (Portneuf):** A very poor answer.

**Mr. Ferguson:** Don't bring the crown on the cap badges down to the level of a licence on an automobile. That is about the size of your mentality. I ask the minister whether he has had sufficient time to obliterate the slur which was cast on Her Majesty the Queen of this empire by the abolition of that crown without her consent? This matter was brought up on a previous occasion and the minister said he would make a statement. I was interrupted by the Speaker of the house when I mentioned it before and I was not permitted on that occasion to speak regarding the removal of that cap badge. Is it permanently removed? Was permission granted? If so, was permission granted by Her Majesty the Queen? What good reason can the minister give for taking off the crown? He should give a reason for taking "Rule, Britannia", the theme of the navy, out of the navy. It is just one thing after another, tearing down the traditions of the British Empire and everything that we have to fight for. The regiments of this country have become famous because they are affiliated with the famous British regiments who defended this empire before a Canadian soldier ever stood up in the Dominion of Canada. Go out to the Toronto exhibition,

at Fort York, and take a look at the little cemetery there, forty feet by forty feet, and read the names of the men in the regiments who defended muddy York in 1812. Every single one is a British regiment.

We have men who joined regiments and fought in the South African war, the first big war, and in the second war, who were proud to wear the kilt, who were proud to wear the riflemen's uniform when there was tradition behind them. You take tradition out of the army and you have no army. You have a machine which cannot stand up against enthusiasm and esprit de corps. I say this to the minister. It is not too late to give back to these men the crown, the symbol of the Queen of this empire. Put it back on the cap badges. If it was too heavy for some of the fragile young women to wear in the service, what are we running, a military establishment, a flying corps or what?

I hold in my hand a big file of protests. There are letters and telegrams from all over Canada protesting the action of a senior officer of the R.C.A.F. in taking the crown off the cap badges of our air force. We are the only air force in the commonwealth that took the crown off. I think it is despicable, but it is in keeping with many actions of the minister in obliterating the things that we hold dear, the tradition of the great British Isles and the regiments that we have been affiliated with and which built up the great Canadian armies of the past, that have fought for these things and that have stood for this type of character that we have in Canada. Do not keep on taking these traditions away from them. Give them back if you possibly can.

**Mr. Claxton:** If there is no further general debate I should like to pay hon. members opposite the courtesy of a reply. With regard to what the hon. member for Simcoe North said, I have nothing to add to what was said in the house with regard to the badge on some of the caps of the R.C.A.F. This matter was explained at that time. I have nothing to add to it. If it becomes desirable in the view of the services and of the department to make a change, then the change will be made and announced in due course.

It is of course ridiculous to say that any slur was cast on the Queen. I would like to add this. I have not interfered in any way with the traditions of the armed forces, and have done everything possible during the time that I have had to do with them to build up in them a feeling of affection for and pride in their own country. It may be recalled that the ships of the Royal Canadian Navy carried maple leaves on their funnels during the war. Soon after I came into office I found that when the ships were being repainted the maple leaf was being painted out. As soon as I found that out I told them to paint the maple leaf back on and keep it on, and that has since happened.

I found officers and men in certain components of the armed forces no longer wearing the name of the country on their shoulders. When I found this out I directed that all officers and men of the services were always to wear "Canada" or "Canadian" either on their shoulders or shoulder badges if the name was not clearly written on some other insignia they were wearing. I can add that they are just as proud of their country as I hope all hon. members are. They have shown their devotion to their Queen and country by their service at home and abroad. They also showed that in the part they took and took magnificently in the reception of the Queen, then Princess, during the royal tour of Canada, and in the splendid ceremonies of the coronation abroad and at home they were second to none in their loyalty to the Queen and in their pride in their country.

**Mr. Ferguson:** No one mentioned loyalty to the Queen. I was talking about cap badges.

**Mr. Claxton:** Now, Mr. Chairman, the Leader of the Opposition referred to a matter that I will certainly not deal with at this time beyond saying that the answer to the question he raised can be found at page 893 of *Hansard* for January 12, 1953, where it will be found that the position is precisely as it is stated to be.

Other hon. members requested information and I repeat what I have said before on many occasions, namely that I do not think any parliament in the British commonwealth has ever had so much information about defence in all its aspects as this parliament has had over the past several years. This charge today was pinned on a refusal to table two reports, one of which was referred to as the Hendry report and the other a report on the reserve army. It was suggested that there was nothing secret in these reports. Whether or not there is anything secret in these reports can really only be ascertained by those who have seen them. But the point here is not whether there is anything secret in the reports but whether the reports were designed for the information of the officers of the armed services, the officials of the department, or members of the government

in order that they might decide, on the basis of that information and advice, what action they should take.

It is a fundamental rule of our parliamentary democracy, as practised at Westminster and here right down through the years, that members of the government are entitled to have frank and full information from those reporting to them, and they are entitled to ask whom they want for advice. They are entitled to treat that advice as confidential for two reasons. There is no reason why they should disclose the basis of their action. The second reason is that the people who give them that advice are entitled to have its source treated as confidential because they are not here to speak for themselves. On the basis of that advice the government makes its decision, announces it to parliament, and is responsible to parliament for that action, the policy adopted, and answers for any of the civil servants or officers involved. That is our system and in order to enable it to work it seems to me it is essential that members of the government, like members of the armed forces and officials in government departments, should be able to get advice, information, and assistance on a confidential basis. The thing is just as simple as that.

Now, sir, there are a few other points some of which I think might more properly be dealt with as we come to the details of the estimates, but I would like to refer here to the remarks made by the hon. member for Winnipeg South Centre with regard to armour. As he pointed out, this is a favourite subject of his. He has brought it forward on at least three occasions and he does not appear to be satisfied with the answers I have given. I do not need to tell him that I do not pretend to be an expert in armour. In the first world war, in which I took a small part for a short time, I saw some tanks in the distance and they were mostly bogged down and stayed bogged down. That was my only personal experience of that operation. But in this we must take the advice of responsible officers of the department who have the advantage of conferring with the officers of the North Atlantic Treaty Organization, and we must work out with our allies in that organization the type of balanced force which will enable our country to make its particular contribution in the most economical and effective way it can and at the place where it is most needed. The hon. member disclaimed knowledge of there being rotation of armoured regiments in Europe and he said that we required an armoured brigade group. But that makes it just about three times as impossible. An armoured brigade group is a difficult thing far us to maintain abroad in peacetime. It is difficult because you have to have tanks in Germany; you have to service them in England; and then you require very nearly the equivalent number of tanks in Canada where almost inevitably they will never be used in war but must be available for training purposes. It is also difficult because of the very much larger number of men who would be involved, and of course there would be an impossible mathematical problem involved in rotation. I will just say a word about each of these.

With regard to the number of men, we are talking here not of a brigade, as I understand they were organized during the second world war, but of a brigade group, that is, something which might operate in a fairly independent way and which would have to have all the supporting services that an infantry brigade group has at the present time. Then it would have to have special services appropriate to the maintenance of tanks, as well as regiments of tanks. The number of men, I am told, who would be involved in such a formation in Europe would be 6,899, and the number of men involved in an infantry brigade group is 5,933. Now, the expenses to which the hon. member referred were not the cost of maintaining either an infantry brigade group or an armoured brigade group in Europe for a year. That was the one-time cost of equipping it and the cost of maintaining it for a year.

In the case of an independent armoured brigade group the one-time cost was $120,800,000 and the cost of an infantry brigade was $45,525,000, whereas the estimated annual recurring cost of an armoured brigade was $39,600,000 and an infantry brigade $29,762,000, so that the differential is rather less than the $100,000,000 to which I referred. Now let me state the reason why it is mathematically impossible for us to do what is suggested with an army of about the size of the present one. At the present time, we have to have three infantry battalions in Korea. They are rotated as units each year. We have to have three infantry battalions as part of the mobile striking force, and that operation has to be carried on continuously. Then we have three infantry battalions overseas in Germany as part of the first infantry brigade there. So that in those formations, in the first Canadian infantry brigade in Korea we have three battalions, three in the mobile striking force and three overseas in Germany. That is nine battalions of infantry to carry out rotation annually for units to Korea and once every two years for units to Germany, and to do

this on a basis which ensures that in between service abroad the unit will have at least eighteen months in Canada, requires that we have six more infantry battalions, or a total of fifteen infantry battalions. Also that number of battalions will enable us, at the end of the Korean war, to constitute an infantry division at full strength with some reinforcements in addition to the mobile striking force. However, if we put into Europe an armoured brigade group of three regiments, then we cannot interchange those regiments with infantry regiments. I would say you would have to have at least five armoured regiments in Canada to do the job. That would mean seven or eight armoured regiments and three airborne infantry battalions in the mobile striking force which would not be interchangeable with the regiments in Germany. Then you would have to have four and a half or five infantry battalions to rotate with the infantry battalions in Korea. In other words, you would require a larger number of major formations; you would not have the same interchangeability and you would have this greatly increased expenditure.

There is another reason and that is, of course, that in the event of a war I think everyone would contemplate that we would be expected to have at least the equivalent of a division in Europe in D-plus the time of transportation. In order to supply the tanks of the infantry division in D-plus the time of transportation we must have the tanks already in Europe. We are building up mobilization stores of heavy equipment for that purpose there. This will bring home to hon. members just how complex is this business of building up forces in peacetime, with the enormous quantities of expensive and heavy equipment required, on another continent 3,000 miles away. No other country I know of feels it necessary to build up mobilization stores to meet the challenge of an emergency in a country abroad.

The hon. member for Kootenay West referred to Germans enlisting in the armed forces of Canada. We have taken into the armed forces a very small number of German immigrants. Each case is considered on its own merits. It is only done on the specific personal permission of the chief of staff of the service concerned. There is just as much screening as possible. I know of none of them having an iron cross for any reason.

**Mr. Herridge:** Will the minister look into the matter?

**Mr. Claxton:** Yes. If such a man were foolish enough to ask an officer if he might wear the iron cross, I think the officer would speedily tell him "No", in extremely emphatic terms. It is almost unthinkable that anyone should have the silliness to ask the question.

I think I have covered most of the points raised by hon. members. If there are any that I have not covered, I shall be only too happy to be reminded now or else I can deal with them when the details are before us for consideration.

There was one series of observations made, I think, by the hon. member for Wetaskiwin when the defence estimates were before us on May 20 and 21. He said he had been told that the troops in Korea had been furnished with quonset huts shortly in advance of and probably on account of the Prime Minister's visit and that the broadcasting station had been out of order and was only put into order before the Prime Minister's visit. May I say that the quonset huts referred to were ordered for the whole commonwealth division about eight months before the Prime Minister's visit and the last huts were delivered some months before his visit. There is nothing in that. The radio station was brought into operation about Christmas, 1953. I am informed that it has been out of operation for less than an hour and this was for technical reasons but that otherwise it has been in operation and that there is nothing the matter with it.

I also want to assure the hon. member for Kootenay West that there is nothing in the rather amusing story he told about coffee on the minister's pants. There is also nothing in the account he appears to have got that a general notice or order was posted with regard to the carriage of coffee. Some person thought it was desirable to cut down this kind of transportation around the building—and I believe it is desirable—and he posted this up for his own staff.

I hope there is nothing in the remarks of the hon. member for Brandon to the effect that some officer was ticked off for talking to a member of the opposition. I have never heard of such a thing. I cannot imagine any officer acting this way. I do not know of any more delightful thing than to talk to members of the opposition. I hope the officers of the armed forces talk to them still more, so that thereby they would be able to make most interesting and valuable contributions to our debates and would feel that our officers were good at their jobs.

**Mr. Ferguson:** I should like to ask the minister this question. Is it necessary to obtain Her Majesty's consent to the wearing of the crown by any regiment, before the crown can at any time be put on any part of the uniform?

**Mr. Claxton:** That has been the case for some years past, but I understand it was not always the case.

**Mr. Ferguson:** I have a supplementary question. When the crown is once up, is it necessary to ask Her Majesty's permission to take the crown down?

**Mr. Claxton:** Certainly not.

**Mr. Herridge:** I should like to ask the minister one question—

**Mr. Claxton:** I should perhaps make the situation clear to the hon. member because I know he is keenly interested in it. The reason why permission is asked of Her Majesty for the use of the crown is so that the sovereign and those personally advising her may have complete control over the conditions in which the crown is used.

**Mr. Ferguson:** That is what I would think.

**Mr. Claxton:** For instance, over the size and the shape of the crown. For example, since the present Queen became queen there has been a direction that the crown used should be a different type of crown from the one used previously. That will be gradually replaced. But there is no suggestion, no order and no regulation to the effect that when you do not use the crown, you must ask her consent.

**Mr. Ferguson:** But when you use the crown and you have had that permission granted, the minister says her consent is not necessary—

**Mr. Claxton:** That is right.

**Mr. Ferguson:** —and that the crown can be taken down by the wish of any senior officer in the armed forces.

**Mr. Claxton:** The crown is not taken down. There was no crown taken down here. What was done was that a new badge was adopted without a crown for a certain limited use.

**Mr. Ferguson:** I call that "taking down".

**Mr. Herridge:** The minister did not answer my question with relation to the regulation with respect to saluting. Do the regulations preclude the prime minister of Canada taking the salute from any regiment?

**Mr. Claxton:** No. The regulations were revised quite substantially some years ago. They are the same in all commonwealth countries. They generally provide for a long list of persons being given military honours. There is a general catch-all for them, but mayors of municipalities are not included. I should make it plain that the mayor of Ottawa never complained to me or raised with me or anyone in the department the question of receiving the salute. What has obscured the situation, I think, is that the arrangements for the ceremony to take place on July 1 provided that a unit of the Canadian reserve army would be present, that His Excellency the Governor General would be present, and that the unit would naturally give military honours to His Excellency the Governor General. It is completely unthinkable under military practice and tradition that either before or after the Governor General receives military honours the same unit on the same parade should give military honours to anyone else.



**Mr. Herridge:** But the regulations would not prevent the Prime Minister receiving the salute?

**Mr. Claxton:** Oh, no, but not on that same occasion. On the other hand, military honours are, generally speaking, given to people who have to do with military things, and of course to members of the royal family because they are members of the royal family. As a matter of courtesy the practice has grown up in recent years of prime ministers and similar people receiving military honours. That is a rather recent development that has come about in the last fifty or sixty years.

**Mr. Herridge:** Who drafts the regulations?

**Mr. Claxton:** They are passed by the governor in council.

**Mr. Herridge:** For each country?

**The Chairman:** Order. In order to make for an orderly discussion, is it now the desire of the committee that I call the headings in the blue book?

**Mr. Churchill:** May I take a minute to comment on the minister's statement and to say that I recognize the hopelessness of attempting to debate the question of an armoured corps with the minister. Our minds are certainly not at one with regard to the matter. I am not the least bit impressed with his advisers, and I regret that in the figures he has now placed on *Hansard* he has used the basis of an independent armoured brigade group which was not the subject I was talking about. I was talking about an armoured brigade, and naturally his figures are different from mine. Consequently he makes the picture appear much blacker, much more prohibitive in cost because he is talking about a different thing.

But, as I say, I recognize the hopelessness of continuing a discussion along these lines. I further regret that the minister has not dealt with the question of the maintenance build-up of the armoured corps in Canada and with the introduction of the armoured personnel carrier to save the lives of our infantry overseas.

**Mr. Claxton:** I beg the hon. member's pardon. With respect to the armoured personnel carrier, I should tell him that we are by no means satisfied with the carriers so far developed in any country. With support from the British and United States armies, we are initiating a development program to see if we cannot develop a more satisfactory infantry carrier than has yet been devised, and that work is under way. I think the account in *Life* of what they have in the United States is rather glowing.

With regard to the other point, if the hon. member would not like us to have an armoured brigade group abroad then I assume he would be prepared to have Canada take the consequences and have the supporting services for our armour that he would propose to have abroad supplied for us by the British or American forces. I am sure they would not do it.

**Mr. Churchill:** With respect to the minister saying that I would not wish to have an armoured brigade group overseas, may I say that I have not said anything of that nature whatsoever. But when for the purpose of argument I discuss an armoured brigade and give figures with respect to an armoured brigade I think the minister, if he is refuting my charges with regard to the number of men and the cost, should use a somewhat comparable formation and not an armoured brigade group.

**Mr. Claxton:** That formation would be totally unacceptable to the Canadian government, the Canadian parliament and the Canadian people because it would not be a self-supporting independent Canadian unit.

**Mr. Blackmore:** I should like to ask of the minister a question which I do not think comes properly under any particular item. I wish to raise the question of Canadian morale, and I should like the minister to follow my reasoning closely in order to see if it seems sound. If I have got the right idea concerning our preparations for war, we are arming with the ultimate purpose of meeting and beating communism. Is that correct? We are looking to an ultimate showdown with the communist conspiracy which rules Russia.

**Mr. Claxton:** That is not our object. Our object is to try to avoid another war by showing the communists that they cannot win, and to maintain the strength of our economies during that period. That means a lot more than military preparedness. We look forward to the time when the communists may be persuaded by peaceful means to change their attitude so that we can live in the world together without the necessity of having these armed camps on each side by which the communists are deterred from war through their fear that they will not win and through which we hope to achieve our desire for peace.

**Mr. Blackmore:** I agree utterly with the minister's general ideal, but while we have been looking forward to this idyllic situation he dreams of, we have lost something like 700 million people to communism. It seems to me the conclusion must be obvious that the Russians have no such idea as that of settling down to live with us on this planet. They have made declarations time and again that capitalism and communism cannot live together. Surely we are not stupid enough to be impossible of teaching in these matters!

If that is the case, then let me ask one other question. I think the minister would agree that, in our hope, which is perfectly righteous and with which I completely agree, that ultimately we can bring Russia to reason, we should be preparing, in case of need, to do everything in our power to defeat Russia. That is correct, is it not? The minister is aiming at that purpose. If we have to fight, he intends that we shall be able to meet the foe and defeat him. I think the minister has no reservations to make on that statement.

If this is the case, everything that takes place in Canada which tends to weaken the Canadian morale to fight communism, is working diametrically against the purpose of the minister. Would that be correct? I assume the minister's omission to reply is tantamount to acquiescence in what I say. Has the minister given thought and study, as part of the over-all problem of making ready this nation to meet and defeat the communist conspiracy, to what is going on in Canada tending to weaken the Canadian morale to fight against communism? Has he taken any measures?

To clarify, may I illustrate? In dealing with the C.B.C. the other day I referred to Bill Boss. Bill Boss has been writing articles which have appeared in so many of the newspapers of Canada that I am tempted to suppose they have appeared in all of them. Almost every one of these articles has tended to make people believe that communism was not so bad after all, and that possibly it just was not worth while taking serious measures to get ready to fight communism. Has the minister given any attention to articles like those written by Bill Boss?

**Mr. Claxton:** Certainly in my quality as a member of the government, a citizen of Canada and a member of parliament I give consideration to all such things. As Minister of National Defence, however, that does not

come properly within the scope of my department and should not be discussed on these estimates. I would suggest to the members of the committee that, in accordance with the understanding we have had and now that the hon. member has, I think, made his point, we should go ahead with consideration of the main headings of the estimates.

**Mr. Blackmore:** That would be fine, but there are two or three other matters that have to be taken up, too. I suggested something the other night upon which I still have not had an opportunity of elaborating, and upon which I intend to elaborate to the bitter end. It is that the C.B.C. is indoctrinating people in Canada with communism, and because of that—

**The Chairman:** Order. May I point out to the hon. member that we are now discussing the estimates of the Minister of National Defence, and he has nothing whatever to do with the Canadian Broadcasting Corporation. If the hon. member wishes to continue, I would ask him to direct his remarks specifically to the Department of National Defence.

**Mr. Blackmore:** What I am having to say, Mr. Chairman, is specifically connected with defence in Canada, whether or not it has to do with the Department of National Defence. No one with any sense of reality will question that it has to do with the defence of Canada; that must be quite obvious.

I do not propose to follow this matter to any great extent today, but I do suggest that unless the minister, somehow or other, is, by the cabinet, given some means whereby he can co-ordinate the efforts of all the departments of government in the general direction of total preparation for total war against the communist conspiracy, then his efforts are being defeated. Now, that must be serious. If we are spending $2 billion per year of the taxpayers' money that we can ill afford, if we are spending that to prepare to defeat the enemy, and then we are allowing our efforts to be neutralized through the back door and through the basement windows, and a half dozen other means, where is the consistency in our procedure?

I would say with all deference, Mr. Chairman, that certainly we must look upon this whole matter of preparedness as a whole matter. We have the Department of Defence Production, and certainly that enters directly into the general over-all preparedness of Canada; certainly our finance department is working in that direction and many other departments must be co-operating. I just wanted to know whether the minister was looking into this communist propaganda matter at all.

[Mr. Claxton.]

May I suggest to him, in all seriousness, that there has been no more steady supporter of the Minister of National Defence than I. He knows that. Certainly, no member of the opposition has stood more earnestly behind him than I have. I say to him that I believe he means business, that he really intends to defeat the enemy if he has to. May I, as one of the most sympathetic of all opposition members, tell the minister he had better look to all these matters, such as that of indoctrinating the Canadian people with communism, and he should see that something adequate is done to offset the stream of communist propaganda that is pouring into this nation from four or five different sources. Otherwise, we are just wasting our time in preparing an army.

All we have to do is take one simple illustration. We had this year a proposal—though it was not, I grant, seriously brought down by the dominion government—implying quite definitely that we should recognize red China. It was fairly well understood. Now anyone knows that recognition of red China would be taken as a definite step forward by Russia. Russia knows that, whether or not we do. Every one of such little steps plays an important part in the over-all picture. I believe I have made quite clear what my meaning is. I hope I do not have to raise this matter again, but if I have to do so, I certainly will.

**The Chairman:** Shall I now proceed with the headings?

**Mr. Shaw:** I do not want to delay consideration of this matter, but I should like to remind the minister that when the estimates were before the committee on a previous occasion a few weeks ago, I brought up the matter of protection against fire at the Royal Canadian Air Force stations and other military establishments across Canada. We had two fires, and we will probably have more. These things do happen. I am vitally concerned about the nature of the fire protection, particularly the program respecting fire watching that is established at the stations.

**Mr. Claxton:** The hon. member did ask me about this when we were discussing the estimates on May 20 and May 21 and I prepared an answer for him which I omitted to give just a few minutes ago.

**Mr. Shaw:** If the minister would care to answer a little later, I am quite prepared to wait.

**Mr. Claxton:** Perhaps I could answer when we come to the air force item.

**Mr. Shaw:** Yes.

**The Chairman:** Shall we take departmental administration, as the item is found on page 287 setting out the details?

Departmental administration.

**Mr. Pearkes:** It is not our proposal to carry out a long series of unrelated questions on these various items under the different headings which you will call. You will recall that the Leader of the Opposition pointed out this morning that in the past we had not achieved much success in getting information by that procedure, nor had we earlier in this session, for the same reason, asked that a committee be set up under defence expenditures. There will be some questions which we will feel are pertinent, and about which we must ask for further information.

Under this first heading of departmental administration I note there is an increase of $550,000 for civilian personnel. When we recall that this is at the end of a three-year program during which there has been a build-up of defence services going on, one might at least have expected a levelling off of expenditures in other than what might be termed the actual fighting services. I am surprised to see that there is this increase in expenditure for civilian personnel. Nor can it be passed off by the suggestion that it is due entirely to the introduction of the five-day week. I noticed that there was an increase from 277 to 362 civilian clerks, and it is quite obvious that increase far exceeds the number which would be necessary to compensate for the introduction of the five-day week.

I noticed that the second item following the item covering the salary of the deputy minister covers a special adviser to the Department of National Defence. I imagine that is the special adviser on civilian personnel. Quite obviously he is imbued with the idea of increasing the number of civilian personnel which are included in the department. Then we have been told several times that the peak has been reached in so far as defence construction is concerned.

I am surprised to find that there is for the first time a real estate appraiser being appointed for the Department of National Defence. Could the minister enlighten us as to why it is so necessary to increase the strength of civilian personnel there? Then, again, I notice an increase in accountants from 14 to 31. I am referring to civilian accountants. We do recall that there was some criticism a few months ago of the accounting system in the army, when it was disclosed that there were no less than eight different accounting systems. One can understand that there must necessarily be some difference in the system in the various services, and even in the arms of those services. But is this an attempt to straighten out the accounting system by doubling the number of accountants this year?

**Mr. Claxton:** Answering the first question put by the hon. member, the adviser on civilian personnel ceased to be associated with the department on March 31, 1954. In any event he had nothing to do with the establishment specifically, and certainly was in no sense an empire builder.

**Mr. Pearkes:** Then why do you need the item for $13,500, if he is going to cease his duties?

**Mr. Claxton:** He came in after the book was published last year and went out after it was published this year.

**Mr. Pearkes:** So you do not need the money?

**Mr. Claxton:** That is correct. But as the hon. member knows, these details, after all, make up a total approximating two billions of dollars, and they are put here for the convenience of hon. members.

Then, with regard to the increase in staff: the number of civilian staff proposed to be increased amounts to 49, of which 10 are for the staff of the associate minister, formerly paid by the Department of Justice; 2 are for the deputy minister's branch. These are for new positions in the United Kingdom on account of our increasing activities there; 34 are in the directorate of civilian personnel, and 3 in the chief auditor's branch. The total is 49, representing an increase of $136,210. Then $200,000 is provided for the increase in civil service salary rates.

**Mr. Pearkes:** What about the real estate appraiser? Can we dispense with him, too?

**Mr. Claxton:** No.

**Mr. Pearkes:** I notice that the salary is $7,200.

**Mr. Claxton:** This is a reclassification. The same man is doing the same work under a reclassification.

**Mr. Pearkes:** Has there been any revision in the accounting system which would justify doubling the number of accountants?

**Mr. Claxton:** Yes, the number of accountants on the chief auditor's staff is being increased. That has been sought for some three years, and it is in order to have a more effective check.

**Mr. Noseworthy:** Mr. Chairman, as I have when other estimates were introduced, I want to protest on this occasion about the

way in which these estimates are presented to us. I have never been able to find out whether it is the responsibility of this department or that of the Department of National Revenue for the way in which these estimates are presented to us.

Let me give an illustration. We have here for the Department of National Defence 36 pages of details. Something more than 30 pages of these are concerned with details pertaining to civil employees. We are told exactly how many charwomen are employed in the three services, and what pay they receive. We are told how many office boys are employed, and the pay they receive. We are told how many messengers are employed and how many typists, and whether they are of grade 1, grade 2 or grade 3, and their pay.

For the army, for instance, we have 8 pages devoted to an itemized statement of civilian employees, and we are told that the total civil salaries and wages enumerated on those 8 pages amount to $40 million. Then the next item which deals with pay and allowances of the army amounts to $128 million, and it is dismissed with only three words. In other words, for an expenditure of $128 million there are only three words of explanation, but there are 8 pages of details for expenditures of $40 million.

I find that all the major items are detailed in the same way. For instance, the amount for clothing and personal equipment comes to over $12 million.

So far as the air force is concerned, 5 pages are devoted to enumerating expenditures on civil salaries amounting to $31 million, but there are only three words for an expenditure on pay and allowances amounting to $120 million. There are about five words for an expenditure of $107 million for the construction of buildings and works, and only three words for an expenditure of $305 million for aircraft and engines.

And so on, all down the line. One expenditure of $30 million is given only one word—"ships". I do not know how these estimates originated, or what purpose is served in giving us all this detail about civilian employees, right down to the last charwoman, and then disposing of the spending of hundreds of millions of dollars for construction, shipbuilding, aircraft, pay and allowances without any detail whatsoever, with the exception of two or three words.

I suggest someone could give some consideration to giving us estimates in a form in which they would be more useful and beneficial to members of the House of Commons than they are in their present form.

[Mr. Noseworthy.]

Then, I have one other matter I wish to bring to the minister's attention—and there will be others when we reach other items. I refer to the regulations formulated by somebody in the defence department with reference to the deduction of income tax from the pay of men and women in the forces. The administration of the income tax legislation rests with the Department of National Revenue, but that department says the regulations were drawn up by and presented to it by the Department of National Defence.

The regulations were designed for the convenience of collecting income tax from members of the forces. If a man remains in the forces, and as long as he remains in the forces, the regulations seem to work very satisfactorily. My complaint is that if a man is discharged from the forces at any time during the year he is given no statement of what his income was for that part of the year, nor of the taxes he paid for that part of the year. It is a closed book. He goes back into civilian life for a part of the year. He may get married in the latter part of the year. Were he a civilian he would be entitled to marriage status, but he is not permitted to take his whole year's income. That half or the part of his year's income that was earned in the services is a closed book. He starts over as though he were a different individual altogether. It seems to me as though it would be feasible for anyone who is discharged at any time during the year to be given, as is a private civilian, a statement of his earnings for that part of the year that he was in the forces, and a statement of his deductions so that he may incorporate them when he comes to make up his income tax for the year. And if he has paid more taxes than he should have paid, he would then be able to get a refund on the same basis as the civilian taxpayer. As it is, he cannot. I have given some study to this and I find that the only ones who profit by this practice are the higher paid officers. They may stand to profit by closing up that part of the year in which they were in the services, and starting over again as civilians. The ones who lose in every instance are the privates and the non-commissioned officers and those in the lower ranks. They are the only ones who stand to lose by this regulation. I suggest to the minister that consideration be given to finding ways and means whereby any man being discharged from the forces during the half of the year be given the statement of his income and the taxes paid for that part of the year so that if he desires to do so he can incorporate it and make a return for his entire year's earnings.

**Mr. Campney:** With respect to the first point raised by the hon. member, I understand that the Department of National Defence, until some years ago, did not give all the details of the civil administration staff as they do at the present time. They now do because it was desired to have this department use the same form of set-up in the estimates as do the other departments.

With regard to the second point in respect of the income tax statements and deductions, I understand that this department worked out the existing income tax regulations in conjunction with the Department of National Revenue, but I shall certainly be glad to look into the observation the hon. member has made. I am not aware that it is so. I am not aware that people who leave the services are not in a position to deal with their income statements and their income tax as in other cases of severance.

**Mr. Knowles:** Included in the details we are looking at on page 287 is an item listed as "Director of bureau of current affairs." I presume it is that bureau that is responsible for the production of the very interesting series of booklets entitled "Current Affairs for the Canadian Forces." I chose my words advisedly when I referred to this series of booklets as very interesting. I should like to go further and offer my congratulations not only to those who are at the head of this bureau, but to the various writers who have been enlisted to write the different booklets that have been produced. Obviously, I am leading up to a criticism, but for the most part they are well done. Particularly is that the case when the booklet deals with some other country or something entirely apart from Canada. On the whole, I would say a very useful bit of educational work is being done through this series of booklets. In fact, I find them useful to file away. They contain in very brief form very worth while and helpful information. I felt, however, that this one which I hold in my hand, which is volume 6, No. 3, February 1, 1954, did not quite measure up to the standards of other booklets in terms of objectivity. It is entitled "The Canadian Budget." I do not know who wrote it, but it is well set up, in the sense that it is broken down into four general aspects of the problem. The first chapter of the booklet is entitled "What is the budget and why is it important?" The second chapter is entitled "What do you get for your taxes?" The third chapter is entitled "How do you pay for federal services?" The fourth and final chapter is entitled "The budget before parliament."

The first three chapters measure up to the standards of objectivity pretty well, except that I notice interesting comments as to the fairness of the present tax set-up in Canada, with which all hon. members in the House of Commons, and with which all Canadian citizens might not fully agree. However, I was prepared to forgive what I felt to be that lack of fairness, but as I got to chapter 4, which was entitled "The budget before parliament", I thought that this would be a chapter in which it would surely be admitted that the parliament of Canada is not a one-party affair. I thought it might at least be admitted that there were other people in parliament besides those on the government side. Not so, for I found that the story of the budget before parliament, as set out in this booklet, was merely the story of what the Minister of Finance had to say. The reference in this case was to the budget speech of 1953. That was the budget speech about which it was easier to write an interesting story—that was the one just before the election—than would have been the case this year. In any case, the brief summary of the minister's speech is a fair summary. It gives plenty of credit to the minister for the proposals that he made. It points out that he moved that Mr. Speaker leave the chair for the house to go into committee of ways and means to consider his resolutions. At the end it says, and I now quote:

> Thence, concluding his remarks, he summarized the tax changes and moved a series of resolutions to amend the various tax acts.
>
> The general debate which followed this budget speech took place upon the minister's motion to go into committee.

If my memory serves me correctly, there was an amendment moved by the hon. member for Greenwood, to which there was a subamendment moved by the hon. member for Rosetown-Biggar. If I recall correctly, there were about a hundred or more speeches made in 1953. Believe it or not, I did not make one that year. I had to be away for part of the time; therefore I have no personal interest in this matter. But it does seem to me, Mr. Chairman, that this booklet did not measure up to the others in terms of giving an objective picture of the subject matter on which it was written. Surely it would not hurt our forces to let them know that this is a democracy and that there are opposition parties in this house as well as the party on the government side.

I recall the excellent booklets of a similar nature that were put out during world war II by the wartime information board. As a matter of fact, I still find occasion to quote from some of them. They were very well done, in terms of giving all sides of the subject. I simply make the plea that this

bureau, when it writes about Canadian affairs and about things in which there are admittedly political involvements, use the same amount of objectivity that it uses when it writes about the affairs of countries outside of Canada.

**Mr. Campney:** I thank the hon. member for his general words of approval and approbation. These booklets are proving to be extremely useful. I think the effect of them has been extremely good, and I am glad to realize that the hon. member has the same feeling. On the occasion which his critical eye detected it may have been that the hundred speeches to which the hon. member referred submerged the author's sense of objectivity and led to some minor lapse. Seriously speaking, I do appreciate what the hon. member has said and I can assure him that every attempt will continue to be made to make these articles both factual and entirely objective.

Inspection services.

**Mr. Harkness:** Mr. Chairman, this is one of the subheadings which looks extremely encouraging. The total expenditure is down by about $1,100,000 and the number of employees by about 250. It appears as though some real effort has been made in the inspection services to institute some form of economy, and it is one of the few special items in the entire defence department in which this appears to have been done. I hope that this indeed is the case and that the reduction is a real reduction and has not been accomplished merely by transferring all these people to other departments and thereby building up the expenses under another heading. I wonder if the minister would just comment on that because not only have the number of employees been reduced but all the major items, including professional and special services, travelling and removal expenses—in the latter case a reduction of $500,000—appear to have been cut down. Could the minister tell us whether this has been a real saving?

**Mr. Claxton:** Yes, I can give the hon. member that assurance. The inspection services, which are now at their post-war peak load, handle contracts amounting to $1,092 million, and with a greater continuity of work and better training it has been possible for about the same number of men to do the job.

**Mr. Harkness:** I am very glad to hear that, Mr. Chairman, and I would think that what has been accomplished in this particular branch might very well be accomplished in a lot of other administrative branches of national defence, and of the three services as well which are covered by the general administrative item on which we have just concluded a discussion. I hope that when these items come up next year we will see the same sort of reductions in these other administrative branches that we have seen this year in the inspection services.

Royal Canadian Navy—Active force and general.

**Mr. Pearkes:** Mr. Chairman, during the debate on this topic in May I made some observations in connection with destroyer-escort vessels and the delay there had been in the production of the first of that type of vessel. I also dealt with the very considerable increase in the estimated cost. Speaking during 1951 the minister intimated that the cost of the vessels would be in the neighbourhood of $8 million. I understand that the cost of that vessel has now increased very materially and they have now become extremely expensive. On May 21 the minister indicated that plans were under way for the construction of a ship which would be very much less expensive, easier to build, and which would carry out the same sort of task as that for which the destroyer-escort vessels were to be built. I would like to know what percentage of the $93 million devoted to ships will be included for the completion of the 14 destroyer-escort vessels.

I wish to raise the point again as to whether it is really necessary to go ahead with the completion of these very expensive vessels. I know there is value at certain times in the desire of the armed services to try and get a superlative weapon, and here no doubt we are getting, or are laying plans to get the very best escort vessel in the world. But it is also the most expensive vessel of any of the navies of the world, and I wonder whether we should go on with this particular type if we can get a cheaper vessel which will do the same work.

As I explained on May 20, we are going to need many, many more escort vessels than was first appreciated owing to the increased range and manoeuvrability of the modern torpedo. Again, on May 20 I called to the attention of the minister the fact that the Royal Navy of the United Kingdom is now concentrating its efforts on helicopters for anti-submarine operation, and that these helicopters are being equipped with dipping asdic which will enable them to report on the presence of submarines. There was a short article recently dispatched from Portsmouth, England, in which it was stated that in the exercise which will be carried out this summer by the North Atlantic Treaty Organization, naval squadrons in the Mediterranean will operate with helicopters fitted

with these dipping asdics for the location of submerged hostile submarines. Of course, the great advantage of the helicopter is that it is not vulnerable to the submarine, whereas the escort vessel, no matter how expensive, is still vulnerable to submarine.

The same article goes on to tell about a new device for locating submarines which will be attached to Fairey Gannets. I think this device is called a sonobuoy and the Fairey Gannets are to replace the Avenger in the Royal Navy. My questions are these. How much of the money allocated for the construction of ships is still earmarked for the completion of the 14 destroyer-escort vessels? Can the minister give us any information regarding these newer and cheaper escort vessels, plans for which he said on May 21 were being considered?

**Mr. Claxton:** Mr. Chairman, the hon. member on several occasions has referred to our shipbuilding and conversion program and perhaps I should say a few words about it now. This program upon which we embarked in 1951 involved the construction of 35 major vessels of five different types, ranging from destroyer-escorts to gate vessels, and 41 auxiliary craft of eight different types. The conversion and rearmament program covered 40 major vessels of six different types, ranging from "Tribal" class destroyers to "Bangors". In a good many instances this conversion was a fairly thorough job. For example, the work on H.M.C.S. *Algonquin,* which was completed in March 1953, took about one and a quarter million shipfitting man-hours.

It is a major operation to convert these "Tribal" class destroyers into modern escort vessels. This is a sizeable program and must be viewed in relation to Canada's shipbuilding and refitting abilities at that time. Moreover the program had to be fitted into the operation of three ships in the Korean war in which eight destroyers engaged, and that involved a good deal of work and refitting and also a good deal of deployment of especially experienced personnel.

With regard to the new anti-submarine escort vessels, I should draw the attention of the committee again to the fact that our major role at sea in the North Atlantic Treaty Organization is anti-submarine work. That is recognized by us all. In fact, that function and coastal defence are our only roles. Our fleet is being built up, renovated, trained and manned for this purpose. Included in the submarine threat to which the Leader of the Opposition and others have referred is, of course, the fact that the Russians have a number of high-speed, long-range submarines. The threat is much greater today than it was at any time in the first or second world wars; that is, the power of the enemy to employ high-speed submarines at long range, for long periods of time, is greater than it ever was in either war.

The number of long-range high-speed submarines the Soviet union has cannot be disclosed. It is still, I am glad to say, relatively small. Our anti-submarine escort vessel is designed as a ship—and it is one of the few ships designed for that purpose—to be able to hunt those high-speed submarines. On that account it must have the very expensive characteristics of great speed, lack of vibration, low noise level, non-magnetic features and the like as well as a very full set of electronic and electrical equipment. It is an extremely complicated and advanced ship. We designed it after co-operation and consultation with the British navy and with expert assistance from civilian firms.

Delays were caused by a number of factors, including the extremely complicated nature of the ship. In the second place, I think was the fact that we rather underestimated the amount of electronic and electrical work of a new character and the great demand that would be made on engineers in those professions, both in the navy and in civilian firms. Then too we had complicated problems of engineering, engine design and the like. However, it was announced that the first of these ships would be launched in 1951, and it was launched in 1951. The first of them to be completed should be completed next year, rather more than a year behind schedule. That is the target, but really the targets were the best guess we could make, in the light of lack of any experience in building a ship of this kind.

The hon. member has referred to the expense of the ship. It has cost a great deal more than was estimated. That fact is partly owing to the increased costs and partly owing to the fact that this equipment is so special and so new and that it takes a great deal of time to fit it into the ship. He spoke about the possibility of dropping the thing now. These are really our front line anti-submarine vessels. It would be an appalling waste to stop them now. We do not propose to build any more of them. These add greatly to our ability to discharge our role under SACLANT in convoying across the south Atlantic. They are counted in with our forces at least at a later stage and we propose to go through with the project. We do not know yet whether they will prove to be as successful as we expect but, from indications, we are very hopeful.

With regard to the construction of another anti-submarine ship of lesser cost, we are

proceeding with designs and specifications for such a ship and they ought to be completed next year. We have no intention of entering upon the construction of any such ships until the designs are thoroughly completed, the specifications are drawn up and everything possible done to ready the work. However, it is not yet decided whether or not to proceed with the construction of ships of this new class.

The hon. member referred to helicopters. We have a number of helicopters in the navy. We are forming a group of anti-submarine helicopters this summer—we hope to get delivery of the new helicopters probably in July—and it will form the first anti-submarine helicopter group.

As to sonobuoys, we have been working closely with the British and Americans on this matter. Our new anti-submarine aircraft, the S-2F, like the "Avenger", is designed to use the sonobuoy. I can tell the hon. member that just last week there was a conference here in Ottawa of the representatives of the Royal Navy, the United States navy and the Canadian navy, under our auspices, working on standardization in this field.

**Mr. Pearkes:** I am not critical of the policy or of the advice that the minister received in 1951. I admit quite frankly that these destroyer-escort vessels seemed to be the answer to the submarine menace in 1951. But since then we have advanced considerably. Not only have we advanced but, as I said before, the range and the manoeuvrability of the torpedoes are matters in which tremendous strides have also been made. While it was a sound policy to start on the building of these destroyer-escort vessels in those days, I now question the advisability of continuing with the construction of this particular type of vessel. We shall have the pilot model commissioned in the near future, but the other vessels are far from being completed. While it may be an appalling waste, as the minister said a few moments ago, to stop construction of this particular type of vessel, if the policy under which these vessels were constructed is now proved to be out of date, I suggest it is going to be an even greater and more appalling waste if we continue to develop all these fourteen vessels only to find, before they are launched —and certainly before they are commissioned—that, because of the advance in the trend in anti-submarine methods, they are obsolete. I know that these trends and changes take place. All too frequently the design of an aircraft, a ship or a gun proves to be out of date before that particular weapon is produced. I do not think anybody is to blame for that. But if it becomes clear that a type of vessel, aircraft or gun is not going to be able to play the role that it was intended it should play when it was first designed several years ago I think it is highly questionable whether it is advisable to continue with the construction of vessels of that type or other things which are not nearing completion at the present time.

**Mr. Claxton:** I can assure the hon. member that his premise has no foundation whatever. These vessels are not out of date. They are not obsolete. They are not obsolescent except in the sense that every article of military equipment in the long run becomes obsolete. These are the last word. They are being equipped with the most modern and advanced electronic submarine detection devices. They are equipped with the most modern anti-submarine weapons and guns for anti-aircraft work as well as anti-submarine work. It is still fundamental in our concept of anti-submarine warfare that it should be fought by surface vessels and aircraft working together in teams. This is the leading element in this important part of the team. I should also add that both the British and the Americans are proceeding on the same assumption, that we need surface vessels for this operation and that it is a team operation.

They are also proceeding with the construction of ships along these lines. I do not think they are quite as far advanced and I do not think their ships will have quite the performance that ours have. That is our hope, but from the reports I have received we will have the leading vessel of this type at the time necessary to do the job.

**Mr. Nicholson:** My question involves the navy, army and air force, but perhaps the minister might answer it at this point. Some of my medical friends advise me that with a medical service provided for each of the three services during the war we had a good deal of overlapping. It was difficult to get one set-up at that time but it was their hope that in peacetime it might be possible to have one central organization to provide medical services for all the armed services. However, I note from the telephone directory that we have a medical director general for the navy, a director general of medical services for the army and a director of medical services for the air force. Would the minister indicate what progress is being made with a view to bringing these services together?

In a place like Halifax, for example, an excellent naval hospital was built during the war. It hardly seems necessary that similar

hospitals should be available for the army and the air force. With such a shortage of medical doctors in the country I would think we could have a better medical service with fewer personnel if these services were combined. My understanding is that that was achieved some time ago in connection with the dental services. Could the minister indicate the number of medical officers we now have for the navy, army and air force and also what progress is being made with respect to combining the services?

**Mr. Claxton:** I have not the figures of the medical personnel gathered together for the three services, but I can give that to the hon. member later. As to the elimination of duplication, that has been our aim since the reorganization began in 1946 and 1947. At times we have considered amalgamating the three medical services but on further reconsideration it did not seem that any great economy would be effected, and that a great deal would be lost in the way of tradition, pride of service and the like. However, we have eliminated all duplication that has been found. For example, the naval hospital at H.M.C.S. *Stadacona* in Halifax looks after army and air force personnel. Similarly, the air force hospital at Rockcliffe looks after navy and army personnel. The army hospital at Winnipeg looks after personnel of all three services. In this tri-service operation as between the services there is no paper work, payments backwards and forwards, forms and so on.

All three services have common medical practices. They have a single medical stores which is run by the army and a single dental service which is operated by the army. To further effect co-ordination we have recently set up a civilian committee called the armed forces medical council with Dr. J. A. MacFarlane, dean of the faculty of medicine of the University of Toronto, as chairman. He devotes a great deal of his time to this matter. The other members are Dr. G. E. Hall, president of Western Ontario University, Dr. Mathieu Samson of Quebec and Laval University and Dr. W. C. Mackenzie of Edmonton. They are a very outstanding group. They have made a report on this and other subjects and are now carrying it through with the full co-operation of the armed forces. Acting as full-time secretary of this council is Brigadier Crawford, who is deputy director general of medical services of the army.

One of the main objectives of this activity is to eliminate duplication. We now think we are getting to the place where we will have enough doctors for the three services. We are still short, but with the recruits from abroad, whom we are continuing to get from the British Isles, and others brought in through university plans we should be able in time to overtake this deficiency, although it is still considerable.

**Mr. Bell:** I should like to refer to the matter of seaward defences. We learn from the white paper that installations have been made at Halifax and also that plans are going ahead at St. John's, Newfoundland and Esquimalt. I believe that Sydney also comes under present plans. I am interested in the position of Saint John, New Brunswick, so far as seaward defence plans are concerned. We in Saint John have always felt that we were in a fairly strategic position. We have a drydock there, and it is the largest manufacturing city in the maritimes. It has also been understood that if any sort of concerted attack were to be made on the maritimes it would be natural that the enemy forces would come to Saint John. Perhaps they would cut off Nova Scotia at the neck of land between the two provinces. I am interested in hearing from the minister whether the plans of the first and second wars have been changed in the light of present warfare, or are we still to be included in these necessary defences on the Atlantic coast?

**Mr. Claxton:** Seaward defences are being constructed at the places we consider to be the most vulnerable. I should point out that even if you have seaward defences fully constructed it takes some hours to put in the installation. The nets, booms and buoys deteriorate rapidly if left in sea water. The state of readiness in any event is relative. We are getting equipment. At Saint John equipment will be made available out of funds that are provided in these estimates, but it is not our present intention to make a permanent installation there for the reason I have stated. In addition, we have finished the program of construction of gate vessels.

**Mr. Bell:** May I ask the minister if he does not think that Saint John is just as important as Sydney or St. John's, Newfoundland?

**Mr. Claxton:** It is not nearly as exposed.

**Mr. Bell:** Will the minister comment on my remark that Saint John is in a vulnerable position due to the fact that an enemy could cut off Nova Scotia at the neck. That has always been our impression. There were submarines in the bay of Fundy in the last war, and I never heard of any actually creating any danger to Halifax harbour.

**Mr. Claxton:** Sydney is designed for seaward defence now because that is where we have our whole reserve fleet in storage.

There are now something like twenty odd vessels. I am informed there will be a total of twenty-nine. It also will be our secondary base on the Atlantic for naval operations; so that it requires special treatment and will be regarded as particularly liable to attack; both for those reasons and on account of its location. Saint John does not fall within that category and the question of vulnerability is a relative one. We have to do the most vulnerable things first.

**Mr. Bell:** May I ask the minister if he does not think Saint John will be of increasing importance because it will be a seaport for the new army camp?

**Mr. Claxton:** Yes, I quite agree.

**Mr. Bell:** May I ask that serious consideration be given this matter of Saint John because we feel we are being overlooked in this respect?

**Mr. Claxton:** Yes.

**Mr. Pearkes:** Earlier this year the Department of Public Works called for tenders for the construction of a new naval dock in Esquimalt harbour. The newspapers at the time said that this was connected with the seaward defence of Esquimalt harbour. At Easter the tenders were all returned to the various engineering firms that had submitted tenders. Is it the intention of the department to go ahead with the construction of this new wharf? If so, what was the reason for suddenly cancelling the tenders and returning them to the firms concerned?

**Mr. Campney:** The jetty at Esquimalt to which the hon. member refers was undertaken as part of our seaward defence, and was designed and to be constructed by the Department of Public Works as our agent. The designs were completed and tenders called, but further studies of the harbour and the nature of the bottom of the harbour led to some doubt as to whether the present design would be suitable. Some further investigations were made and it was decided to redesign, in part at least, this jetty. The jetty will be built as proposed, but it will be delayed for some time until these designs have been drawn to the satisfaction of the Department of Public Works and ourselves.

**Mr. Pearkes:** I want to ask a question under this heading in connection with the supply of naval fuel. I put a question on the order paper the other day, and was surprised upon seeing the answer to find that bunker fuel and diesel oil fuel was being supplied from foreign crude oil, and then it was being delivered direct to Esquimalt by tankers coming from California. While I imagine that the source from which this oil is obtained may be a question to be answered by the Minister of Defence Production, I should like to know what is to be the future of H.M.C.S. *Dundurn,* which is a Canadian naval tanker on the Pacific coast. Are we going to allow that tanker to remain idle in Esquimalt harbour or what is its future?

If we are having oil delivered from foreign sources instead of from Canadian sources in Vancouver where the *Dundurn* would be able to move the fuel from Vancouver to Esquimalt, I wonder what is the future for that vessel. I intend to ask the Minister of Defence Production about the source of supply. It seems an extraordinary thing that we should build a pipe line from Alberta to Vancouver, and then have the government turn around and buy this oil direct from California.

**Mr. Campney:** As regards the source of the fuel oil for naval vessels in Esquimalt, I understand we did not specify the source, but merely gave the specifications and the Department of Defence Production made the purchase.

With regard to the *Dundurn,* I understand that she is used in the harbour for fuelling the larger ships instead of sending them to the jetty. She is not generally used to transport oil from Vancouver or other sources. I understand if oil is purchased from Vancouver, it is delivered by the tanker of the company which sells the oil.

**Mr. Pearkes:** Is the future of the *Dundurn* assured then?

**Mr. Campney:** Yes, she will continue as at present.

**Mr. Harkness:** It seems to me extremely regrettable, after this pipe line was built from Alberta to the Pacific coast with defence as one objective, that the government buys oil from foreign sources. The pipe line was built to obviate the long and hazardous route which this oil would follow from the Middle East. Just after the pipe line had been in operation a short time the Department of National Defence starts buying oil from foreign sources, thus increasing the difficulty this pipe line has been meeting in any event due to a tanker war. This war has made it possible to deliver Middle Eastern oil at a cost slightly below that delivered from Alberta. The situation is not going to continue very long, I understand, but I say it is regrettable and it is not in the interests of Canada generally, including defence policy, to use these other sources which would not

be available in time of war. We should patronize our home industry and particularly this pipe line.

**The Deputy Chairman:** Shall we pass on to the next heading?

**Mr. Harkness:** No. Under this particular heading I note that the total number of employees has increased. The cost of these employees has increased some $4·5 million. I would have thought that the same thing could have been done in this branch of the department as was done in the inspection branch. The number of these civilian employees might have been reduced or at any rate might have been held to the same level instead of being increased by a little more than 12 per cent over last year. I am not going to go into the numerous cases in which those increases have taken place, but I should like to call attention to one or two instances that I believe are completely unjustified.

According to the details on page 294 the total number of clerks of various classes is going to be increased and this year will be 1,651 compared with 1,335 for last year or an increase of 316 clerks. Now, surely all that indicates is a great multiplication of the paper work. This is the very thing we have been complaining about for so long and the minister agreed that it should be cut down. Here we find one of the surest means of increasing it, a very large increase in the number of clerks. It is extremely difficult for me to see how an increase of that sort is jusified.

Then the only other item I will mention is mess men. The number is increased from 44 to 130. I presume these are the men who wait on the troops at dinner and things of that sort. It is difficult also to understand why there should be an increase from 44 to 130, three times as many mess boys in one year. From those two examples, and the general 12 per cent increase in personnel, it does not appear that any effort has been made to economize so far as civilian personnel are concerned. The total increase in personnel in the navy is not going to be very great and it does not seem to me to justify anything like this large increase in the number of civilian and administrative personnel.

**Mr. Campney:** As is obvious, I suggest, from information given the house thus far, the navy is increasing the number of ships and the number of servicing stations necessary to service those ships. This increase of personnel, amounting, roughly, to a thousand—

**Mr. Harkness:** Is the associate minister referring to civilian personnel?

**Mr. Campney:** Naval personnel.

**Mr. Harkness:** But I am not talking about naval personnel; I am talking about civilians. The increase is over 1,200.

**Mr. Campney:** I was going to give information as to the civilians.

**Mr. Harkness:** Under the naval branch?

**Mr. Campney:** Yes. The increase in civilian personnel which will be required during the present year is made up of approximately 200 people who are now manning the principal stores depot at Montreal, which was recently put into operation for all naval supplies; over 100 who will be required in the maintenance of ships in inactive reserve at Sydney—security, fire and various servicing activities; something over 100 in Ottawa, at headquarters, to meet the needs of the increasing expansion and about 300 each on the east coast and a similar number on the west coast in the dockyards, stores departments, armament depots, and in the magazines which either have been or are being constructed and put into operation to serve the fleet, as it increases in number.

**Mr. Harkness:** The minister has not met my criticism, I am sorry to say. I do not want to take up more time, but I would refer to it in this way: A department store, for example, may have 500 employees and is doing $5 million worth of business. If the number of customers increases, and the value of the business also increases, we will say to $7 million or something like that, they do not have to have a very great increase in the number of clerks in the store. In other words once you have your basic set-up in an organization you can handle quite a bit more business without any great increase in staff.

In other words, my general criticism is that the number of personnel is increasing every year. If this happened in only one year it would be a different matter; but it is going up, up, up, up every year. Here we have another increase from last year, when it had already built up to 10,000 people.

Furthermore, what the minister has said does not explain this increase. For instance, a quarter of the total increase is made up of about 300 clerks. What he said does not meet my general criticism and does not explain why there should be this great increase in the number of clerks, people who handle paper.

**Mr. Campney:** Well, I mentioned a moment ago that the navy is increasing quite rapidly. Naturally once a ship is in commission we must take care of its contracts and all its day to day activities. There is office work in connection with that, and also more work in the servicing departments—armament depots, ammunition stores, etc. Naturally the staff will increase slightly each year until we reach a fixed position in the navy. I suggest that is obvious. First of all we must have a substantial nucleus to serve the navy generally, and then we have all these specific services to meet the needs of ships individually and collectively as they become more numerous on our east and west coasts.

**Mr. Harkness:** The fact that the number is increasing like this—and there can be no doubt about it—indicates that there is not proper control being exercised and no real effort being made to hold down these administrative expenses. I am very concerned about this matter, and have been for some time. We have been told what was accomplished in the inspection branch, in spite of the fact that the work of that branch, as the minister said, is now at its peak. In spite of that, the number of people employed has been greatly reduced. I am only too glad to give credit to the department for having accomplished this. I have already complimented them upon it, and I will do it again. But having been able to accomplish this in the inspection branch when things were at a peak, I cannot see any reason at all for this very large increase in civilian employees generally of the navy. And I refer particularly to this terrific increase in the number of clerks.

**Mr. Campney:** I might say that it has always been the practice of the navy to operate all their shore establishments with civilians. In connection with the big naval stores depot at La Salle, brought into service not many months ago, I might mention there are 400 civilians employed there, and probably only six or eight naval personnel. It is the practice of the navy to operate their shore establishments to a great extent with civilians. As the requirements become greater and as the fleet grows this will be reflected in the increased number of civilian employees.

**Mr. Harkness:** Why is it necessary to have 300 more clerks? This general talk about building up the navy does not answer my question at all; it does not get to the nub of the matter. Why is it necessary to have an increase of 316 clerks? That is about 25 per cent in one year.

**Mr. Campney:** Depots consist mostly of clerks for servicing and accounting.

[Mr. Harkness.]

**Mr. Harkness:** But the depots have been there right along.

**Mr. Campney:** No, some of them have been enlarged and some have just been built. At least one armament depot has just come into use. I am trying to say to my hon. friend that these servicing establishments on both coasts, and in various parts of the country—at least some of them—are just coming into commission now. Some have had to be enlarged.

**Mr. MacLean:** Mr. Chairman, I have a couple of questions, and they apply equally to all three services. Perhaps the minister in replying could answer with that in mind, and save duplication. My first question relates to automatic punch card machines which are used for personnel records. Are they owned by the department, or are they rented? If they are rented, are they all rented from the same source? If so, what is the rental?

**Mr. Claxton:** Subject to some exceptions, I believe generally they are rented, and obtained from three sources: International Business Machines, National Cash Register and Burroughs.

**Mr. MacLean:** Then in connection with travelling and removal expenses in the case of postings overseas to Europe: I have had complaints from servicemen going to Europe that there is a wide discrepancy in the standard of accommodation supplied to various personnel of equal rank in equal circumstances. What standards are required of the shipping companies, or whoever supplies this accommodation, when troops are being posted either to or from Europe?

**Mr. Claxton:** The question of transportation is almost entirely army and air force, which we have not reached yet. We shall get it for you and answer it later. The entitlement for all three services is on a uniform basis. While standards are laid down uniformly, inevitably the type of accommodation, and sometimes transportation, depends on availability. If we were to wait until the wives and children all got the same they might be disappointed in not getting there. Therefore it is sometimes better to take poorer accommodation in order to get them together just as soon as possible. It is largely a question of availability.

**Mr. MacLean:** I presume some minimum standards are required.

**Mr. Claxton:** Yes.

**Mr. MacLean:** At the bottom of page 298 there is an item "Major procurement of equipment". Ships, aircraft, engines and so

on are mentioned. Aircraft and engines are up from roughly $1,500,000 to $23,500,000 in round figures. Can the minister put something on the record with regard to the replacement program of naval aircraft?

**Mr. Claxton:** This is a very fair proportion of the total cost of getting new suit of aircraft for the *Magnificent's* successor, H.M.C.S. *Bonaventure*. We are replacing the Avengers with the S-2F aircraft and we are replacing Sea Furies by jet Banshees. Most of these have been purchased. We are also buying a considerable number of helicopters. That accounts for the cost.

**Mr. MacLean:** In the case of removal and travelling expenses for civilians, I notice the item is down considerably from $750,000 to $498,000. My question is not with regard to the amount. I take it that civilians are generally speaking locally employed. What are the circumstances under which it is necessary to post civilians who are employed in the service from one area to another, and therefore require removal expenses?

**Mr. Claxton:** Transportation allowances are provided for civilians employed in outlying districts, and also some provision is made for transportation of children of service personnel to schools. But generally speaking what the hon. member says is correct. There are no large movements of civilian personnel from place to place, but there is a considerable removal of supervisory personnel. Some of the naval magazines and depots are not close to major centres. One thinks of some of the wireless stations, Renous, depots in New Brunswick, and there are three ammunition dumps or depots in British Columbia. This also includes a considerable amount for reallocation of personnel consequent on the establishment of the new naval depot at La Salle, near Montreal.

**Mr. Harkness:** The general picture presented here is somewhat interesting. The total amount to be expended this year is just $5 million more than the amount that was expended last year, and, as I pointed out before, this is the same amount as the increase in the cost of civilian personnel this year amounts to. Apart from this increase in the cost of civilian personnel there will be no increase by and large as far as the cost of the navy is concerned. We find an item of $23,500,000 this year; whereas last year it was only $1½ million for aircraft and engines which my colleague has just been talking about; which means that some $22 million at least has been pared off the other items. I notice it has come chiefly off the other items which are important as far as a fighting navy is concerned; that is, the things that they fight with. For example, signal and wireless equipment are down nearly $7 million. Armament equipment, guns and so forth are down $4 million. The ships are down $1 million. Then we find that ammunition and bombs are down nearly $8,500,000. Therefore, some of the other items which are not fighting items, you might say, are up. It would appear that the items for the navy this year, that is, items of fighting equipment such as bombs, ammunition, guns and so forth are all down really very materially. Can the minister explain why that is? It is all right to build up all these big civilian staffs, and so on, but when it actually comes to the navy doing the work for which we maintain it, the important things for them to have are ships, guns, planes, ammunition and so forth, to run them. As I say, it appears from this that these are the very things by and large in which there has been quite a large reduction. Non-essential items have gone up.

**Mr. Claxton:** It is explained to me that in the case of those items of fighting equipment that the hon. member mentions, the changes are owing to different changes in the time of placing and getting delivery of contracts. We have got ammunition; we need lots of it. We have got electronics; we need lots of that. I am only mentioning these as illustrations. The hon. member did not mention clothing and personnel equipment which is down from $7 million to $2,500,000. That is because we were able to get quite a considerable proportion of these so-called "soft" things, and they are on hand. There is no particular significance in this except I should tell the hon. member that the navy and the other two services work out, through their chiefs of staffs, with the deputy minister and others the proportion of the defence dollar that is allotted to them, and then they have to divide that year's money so as best to carry out the program and keep that phase together. Therefore next year it may be that some of this no doubt will be up again.

**Mr. Harkness:** Just one comment—

**The Deputy Chairman:** It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

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## AFTER RECESS

The committee resumed at seven o'clock.

**The Chairman:** When the committee rose at six o'clock we were discussing the item

under the Royal Canadian Navy—active force and general. Is this discussion concluded?

**Mr. Harkness:** No, Mr. Chairman, I had just risen in order to make a brief comment on what the minister said in reply to the very brief observation I had made that the total cost for the navy is up by some $5 million and that that is accounted for almost entirely by the increase in civilian personnel. I asked why it was that there had been considerable reductions in the fighting equipment for the navy.

Without going into the minister's reply I would like to comment that I think this is a good example of the fact that the expenditure of more money does not necessarily mean we are getting more defence. In spite of the fact that we are spending more money under this particular heading the actual amount being spent for ships, guns, and other things which make the navy an effective fighting force is being reduced, and unfortunately I believe that has been the situation for quite a number of years in most of the branches of the department. One of the chief arguments we have advanced here over the last four or five years was that that was what was actually happening, and that the very large sums of money which have been spent have not produced for us the fighting force to which we are entitled for the large amount of money expended.

**Mr. Gillis:** I would like to get some idea from the minister as to what kind of machinery exists between the defence purchasing department and the Department of National Defence. Defence purchasing in Canada means quite a lot of employment in Canada, and I would like to give a case in point. There is a large naval base at Sydney, Nova Scotia, and in that area about one mile from the base there is a large wire and nail mill. At the present time there is a bad unemployment problem there. Last November I found that large shipments of nails brought from Hamilton, Ontario, were being used at that naval base at a time when nails were being manufactured in that area and when half the men in that factory were unemployed. I was just wondering where the economy is obtained by purchasing nails for the Department of National Defence in Hamilton, Ontario, and shipping them 1,400 miles for use in a spot where there is a nail mill in operation working half time.

I would like the Minister of National Defence or the associate minister to give me an explanation about this because it is pretty poor planning. It may be bad salesmanship on the part of the company which manufactures these nails, but if it is I would like to know. I know for a fact that many kegs of these nails come from Hamilton because I not only looked at them myself but I took one of the covers with me in order to make sure I would have the evidence if I was questioned. If this is the kind of way in which materials are purchased, without regard to employment conditions in the area, and regardless of the fact that you can obtain the materials cheaper and at the same time assist that area in the matter of employment, then I think there is poor planning somewhere between the Department of National Defence and the defence purchasing department.

**Mr. Campney:** I wonder if the hon. member could tell me whether the nails he mentioned were obtained from a contractor or were being used by the navy.

**Mr. Gillis:** I do not know for certain. The base is a naval base and it is under the Department of National Defence. I do not know whether a contractor purchased these nails but in any case that contract would be let by the Department of National Defence and I think there should be some understanding when letting these contracts that the materials that are available in the area in which the work is being carried on should be given first priority, other things being equal. I thought it looked pretty bad to see a nail mill working half time while a project which was under national defence was using nails they had dragged 1,400 miles across the country which would bear the additional burden of freight. I think it adds up to poor salesmanship somewhere.

**Mr. Campney:** It is my understanding that as regards the procurement of goods for the Department of National Defence by the Department of Defence Production we prepare a specification for the required goods and we make what is called a contract demand on the Department of Defence Production. That department is then charged with the responsibility of procuring these materials, having regard to the specification, price, delivery terms, and so on. Procurement of the goods having been completed, we then inspect them, accept them and pay for them. Under those circumstances I presume there are a number of considerations which actuate my colleague, the Minister of Defence Production, in securing the goods for which we have made a contract demand. The only variation there might be with regard to this particular case, and of course I am not aware of all the facts, is that we might have sent nails to our own naval base from some of our stores at some point or other for use by the navy. That might have happened, but generally speaking

I think the procedure is as I have outlined it, subject to anything my colleague might say on the matter.

**Mr. Gillis:** When the estimates for the Department of Defence Production come up I hope I will be able to get a run-down answer to this question.

**Mr. Macdonnell:** Mr. Chairman, it is very difficult for a layman to venture into the field of questioning military expenditures, but I think even a layman is entitled to ask a question about civilian expenditure. I am coming back to the matter the hon. member for Calgary North has already ventilated and to be found in the details at page 298. I note there is between $4 million and $5 million apparently additional on the civilian part of the staff. That seems to me a lot of money. We think it is a lot of money in Greenwood. I would like to ask the minister what steps are taken to satisfy the department that those men are needed.

I heard of one industrialist who approached his staff with a very crude and simple test. He divided his staff into those that produced and those that did not produce. The only producers in his mind were the people who produced the things that you could handle. He regarded all his office staff as non-producers and he was accordingly critical of them. In the same way it seems to me that as laymen we are entitled to be extremely inquisitive and curious about the civilian staff. This businessman I speak of is reported to have been made the head of a certain company and to have begun by firing all the clerical staff and then taking them back one by one as they were proved to be needed. That is a crude illustration of what I have in mind. In any event it is a crude illustration of the feeling one has in surveying a military establishment, with all the civilians that are in it.

Even those of us whose experience of war is not as recent as it might be can remember the scornful way in which we used to talk of the paper war and speak of all the people who never got outside of the office and who were on lines of communication. Now in peacetime I suppose you not only have those people but you have out-and-out civilians.

I want to ask the minister this question. I have raised it before. It is not new. In some departments recourse has been had to people whose business is organizing efficiency. I should like to ask the minister whether any recourse has been had to efficiency experts in this instance? They have been used in certain departments. At one time when I raised this question I was told that such assistance was not used in large organizations in civilian life but only in small ones. That statement is manifestly wrong. Actually they are used more in larger undertakings than in smaller ones. I should like to ask the minister whether, if that is something that has not been done, it will be done. It seems to me that the onus is absolutely on the department, when they come along with between $4 million and $5 million for additional civilian assistance, to explain why. If any other department came in here with $4 million additional for clerical assistance, I think we would be absolutely outraged. I realize that the military establishment is huge. It may be that if we knew all about it we would be satisfied. But that item of nearly $5 million raises a big question in my mind.

**Mr. Campney:** Mr. Chairman, I would repeat first just briefly what I observed when this matter was raised by the hon. member for Calgary North. First, the naval establishment ashore is primarily and almost entirely civilian. As the navy grows and the shore establishment grows, naturally the civilian component of the shore establishment increases. I am informed that when a branch which has been established or which has increased its facilities wishes to have new personnel to meet that need, that branch makes an application to the naval complement committee at headquarters who as specialists review the applications carefully. If it is approved by the naval complement committee—and only to that extent because the committee has powers and facilities to investigate and if necessary to reduce the numbers required—the requirement then goes to the civil service commission. The commission also has its own methods of investigation and of satisfying itself as to the need. When the application has survived those two reviews—if it has; I refer to the need of the branch as set forth in the requirement—it goes to treasury board. From my experience serving on treasury board that body is not in any sense a rubber stamp. It also has its own methods of investigation both here and at other places. It is only when treasury board has approved the setting up of an additional civilian position or a number of positions to meet an established need in a certain place that those positions are filled.

**Mr. Macdonnell:** I am still left with this basic question. The minister has mentioned this naval committee. As I understand it, these additional requirements are first of all endorsed and approved by what the minister

called a naval committee. What would be the personnel of that committee? Is it composed of naval officers?

**Mr. Campney:** It is a joint committee composed of navy officers and civilians in the department.

**Mr. Macdonnell:** No one has more respect than I have for naval officers but I do not imagine that naval officers have spent much of their time in being trained for office management. At any rate I would hope that they have not. I would hope that sea duties are what they have been trained in. It is therefore all very well for the minister to say that this matter goes to two or three bodies, each of which scrutinizes it, including the civil service commission and the treasury board. I know the treasury board is always held up as being a most formidable body, and I have no doubt that it is. Nevertheless, if the thing gets a bad start—if you have the original recommendation made without the thorough scrutiny which I am asking for, if indeed it is not being made now—if you get it started without a proper scrutiny, it seems to me that from then on everyone else is beaten. They are not going to send down and make an entirely new investigation of the duties. Surely the civil service commission is not going to do it all over again and treasury board is not going to do it all over again. I am not quite sure whether the minister is differing with me or whether he is going to say that they do that, but I still feel uneasy and that somehow or other this matter is not getting the scrutiny that it should get.

**Mr. Campney:** I might just point out to the hon. member that it has just been brought to my attention that very recently, as a result of a survey by the naval complement committee, over 80 applications were turned down. I think this committee is a thoroughgoing and rigorous committee. Any application must pass that committee before it even goes to the civil service commission, much less the treasury board. I am informed that the naval complement committee is extremely strict and looks into the situation most thoroughly.

**Mr. Macdonnell:** I have one final question, or at least I hope it is final. The minister said that the increased staff on shore had to take care of increased personnel and increased units afloat, if I understood him correctly. Can he indicate what, in the last year, has been the increase of the service personnel as distinct from the administrative? When I say "service" I mean really "service".

[Mr. Macdonnell.]

**Mr. Campney:** As between March 31, 1953, to March 31, 1954, in the naval strength there was an increase of practically 1,500.

**Mr. Macdonnell:** What percentage is that? I do not want the total. What would that be in percentage?

**Mr. Campney:** From 15,546 on March 31, 1953, to 16,955 on March 31, 1954.

**Mr. Pearkes:** What is the civilian increase?

**Mr. Harkness:** The civilian increase was nearly 1,200.

**Mr. Campney:** That is naval personnel.

**The Chairman:** Shall I pass on to Royal Canadian Naval Reserve?

**Mr. Macdonnell:** Just a minute. This is very interesting. My understanding is there has been an increase of about 1,200 in the civilian personnel and 1,500 in the service personnel. Am I correct? There again there may be things which I do not understand which will make it clear, but it is very unconvincing to me that to look after the needs of additional service personnel you need almost man for man to look after the administrative duties. I would have thought that the various branches would have been set up and that one man ashore could somehow or other do a little more than look after a man and a quarter afloat.

**Mr. Campney:** I mentioned several reasons this afternoon why the total number of civilian personnel has increased. For example, we have opened a very large and extensive stores depot at La Salle which has necessitated 200 more personnel. We have extended our facilities at Sydney where the inactive reserve of the fleet is being stored. This has led to the necessity of security and fire protection personnel, dehumidifying plants and various other services which account for about 100 personnel. We have had to create about 300 new positions on each coast due to the establishment of new armament depots, stores depots, new and larger magazines, and various other installations to serve the growing fleet on each of these coasts. These developments have made necessary an increase of something over 100 personnel at headquarters. These increases make up approximately the figure the hon. member mentioned.

**Mr. Pearkes:** What is the total number of civilians employed with the navy?

**Mr. Campney:** As of April 30, 1954, the total number of civilians employed by the navy was 11,559.

**Mr. Harkness:** That does not include dockyard workers.

**Mr. Campney:** I understand it does.

**The Chairman:** Shall we pass on now to the Royal Canadian Naval Reserve?

**Mr. Macdonnell:** I want to leave this request with the minister, and I am not asking him to accept or reject it now. I ask that some outside scrutiny be introduced within the next year to make a report on the tens of thousands of civilians working for the armed services.

Royal Canadian Naval Reserve.

**Mr. Harkness:** I note that the number of people on the permanent staff has approximately doubled, from 94 to 184, but the pay and allowances for the coming year will be just under $2½ million whereas last year they were $3 million. In other words, apparently it is anticipated that the number of people in the reserve will be fewer than last year because the pay and allowances are considerably less, but the regular staff has increased. Would the minister explain that inconsistency?

**Mr. Campney:** I understand that the difference arises from the fact that while it was estimated last year that the pay and allowances would be $3 million, we actually spent $1,719,000. In making the estimate for this year, and allowing for the expectation of some increase, the figure was reduced to $2,499,000.

**Mr. Harkness:** I take it from that that the naval reserve was very much weaker last year than it was anticipated it would be, that the numbers fell off considerably. Can the minister tell us what the situation is at the present time in that regard and whether the department thinks there is any possibility of there being a sufficient number of people to use up anything like this $2½ million for pay and allowances?

**Mr. Campney:** All I can say is that we overestimated last year, and the estimate this year has been made as realistic, in the light of all the facts, as we can made it.

**Mr. Harkness:** Is it correct, as would seem to be the case from the minister's answers, that the number of people in the naval reserve fell very considerably last year? It must have because the amount of pay and allowances used was only half what was estimated would be needed.

**Mr. Campney:** It did not fall; it did not grow as rapidly as we had hoped.

**The Chairman:** Royal Canadian Sea Cadets? If there are no questions we will pass on to Canadian army, active force and general.

Canadian Army—Active force and general.

**Mr. Churchill:** I have several questions to ask but I will start with an easy one so that we will get into the army picture. My first question concerns the size of our force in Korea compared with the size of our force in northwest Europe. In view of the minister's statement this afternoon with respect to brigade groups, could we have the picture clearly as to those two forces? I understand that in Korea we have an infantry brigade incorporated within the commonwealth division. In Europe we have an infantry brigade group able to operate independently. In the words of the minister, I think he said at one time it was almost a small division. My question is what is the difference in the number of personnel as between these two formations?

My second question is this. Has the infantry brigade incorporated within the commonwealth division in Korea been able to function to the satisfaction of that division and the Department of National Defence? Then I come to my third question, and I do not want to labour this point. If the infantry brigade incorporated within the commonwealth division has been found a satisfactory answer to some of our commitments abroad, could not an armoured brigade incorporated within a British armoured division perhaps be the answer to this problem of the armoured corps?

**Mr. Claxton:** In answer to the hon. member's questions, I can say that the British have two armoured divisions in Germany and they have none in Korea. In Korea we have operated exceedingly happily with the commonwealth division. It has worked out very well. They were all infantry with a component of armour. But in Europe the British formations are organized as divisions, and it would be very difficult indeed to integrate an armoured brigade group into one of their divisions. I am advised it could not be done, that it would have to be an extra unit and it would have to have the extra supporting services that I referred to before.

**Mr. Churchill:** Are the figures available with regard to the difference in size of these forces?

**Mr. Claxton:** They are very much the same.

**Mr. Churchill:** My other question has to do with the rifle. Some time earlier in the house I asked a number of questions concerning the adoption by Canada of the Belgian rifle, which has been adopted as the standard infantry weapon for the United Kingdom. The minister's reply to this question indicated that tests were being conducted in Canada of

the FN rifle, and that if they were satisfactory an announcement would be made in due course. Is the minister prepared to give us a full statement now with regard to this question of the rifle?

**Mr. Claxton:** Yes, to bring the house up to date I may say that the Belgian FN rifle has been adopted by the British army, and they are obtaining some quantities for further trial and testing. We have not yet decided to adopt the rifle. We are subjecting it to further tests. We have placed an order for a number that are being delivered to us. Simultaneously the United States have had some FN rifles which they have subjected to Arctic trials, and trials under northern conditions. As a consequence of this, I think some modifications will have to be made.

In the meanwhile our role in the picture is that we are, through Canadian Arsenals Limited, arriving at engineering designs and production designs and specifications for the production of the rifle according to the standards that have been agreed upon by the British, Canadian and United States teams. This work is being pushed by the Department of Defence Production through Canadian Arsenals Limited. If it were decided to go ahead with the production of the rifle, there will be no delay in connection with the work. In that connection work is being pressed forward in the production of drawings, designs and engineering specifications. We are getting rifles from Belgium for that purpose. My colleague the Minister of Defence Production has had officers in Belgium working with Canadian army officers and with Fabrique Nationale, the original producer of this rifle. The work is progressing satisfactorily.

How soon it will be possible to announce the final results, I do not know because it will depend on the tests. We have been very anxious in this not to get too far ahead of any country in the decision to adopt the rifle. We have been very anxious indeed that Great Britain, the United States, France, Belgium and ourselves should adopt the rifle as standard, and we have done everything possible to that end. The discussions started really in 1946 in what is called the A.B.C. committee, composed of United States, Britain and Canada and in April 1951 these considerations seemed to be getting nowhere, when the British announced their intention to go ahead with their own rifle, the EM. I made an appeal, which I think has been reported to this house, to the then minister of defence in Britain and the secretary of defence in the United States, that we should meet once more at the ministerial level with very high ranking officers and have another look at the matter.

I am glad to say the meeting took place in Washington on the first and second of August, 1951. Since then we have been working progressively towards a solution of that very desirable objective, the adoption of a common rifle. In the meantime, however, we have agreed on a common round; that was announced by me at the meeting we had in Paris of the North Atlantic council in December. This work is also proceeding. The experts met in Quebec and Ottawa, and arrived at the final specifications for the round. Those were agreed to and the round has now been agreed upon. While it has been a long struggle, I am happy to say we are making considerable progress. I believe we will arrive, not only at a uniform round but also a uniform rifle.

**Mr. Churchill:** There are some circumstances in regard to the question of the rifle which I think need clarification. There was a debate in the British House of Commons some time ago in connection with the decision there to adopt the Belgian FN rifle, whereas earlier the British government of that period until 1951 had decided the British EM2 rifle was the most satisfactory weapon. The adoption of a rifle is an important matter. The Lee Enfield rifle, which has been the standard rifle for over 50 years now, is an indication of the length of life that may be expected of a rifle used in the army. When the time comes to adopt a new type of rifle, the greatest care is necessary to ensure that it is the most satisfactory.

After the conclusion of the second world war the British, as I understand from reading accounts, asked for a new rifle which would be automatic or semi-automatic and which would be, if possible, shorter and lighter than the Lee Enfield. From that point inquiries have been made and studies made in order to arrive at the type of rifle that would be most suitable for modern requirements. Modern requirements seem to point to the use of a rifle which is automatic, shorter and lighter. The result at the moment is that the Belgian FN rifle does not meet all these requirements. In some respects it does not seem to be the equal of the British EM2 rifle.

My concern about this was aroused by reading certain accounts as to Canada's position in the matter. I believe Canada's position is quite clear with regard to the standardization of the round, now standardized at ·30. I think there could be no dispute

about that at all, and that is a major advancement. The NATO countries have agreed to use the same type of ammunition. Our record does not seem to me to be quite so clear with regard to the rifle. We appear to have adopted a negative attitude in so far as that was concerned.

I notice reports from the British House of Commons regarding the Canadian stand on the rifle, and accounts in the press, which seemed to indicate that if our representatives had taken a definite stand the British EM2 rifle would have been selected. For example in the House of Commons at Westminster on February 1, 1954, during the debate on the adoption of the rifle, Canada came into the picture on several occasions. The discussion is found at page 55 of the British *Hansard* for that date. The subject was mentioned by the prime minister and then Mr. Shinwell had this to say:

> The position of the United States was as the right hon. gentleman has stated, the position of France was that she had no opinion at all, and the position of Canada was as stated by the then, and, I think, present minister of defence, Mr. Brooke Claxton, that he was quite unconcerned about the size of the round or the type of rifle as long as Canada had the opportunity of producing whatever rifle or whatever round was decided upon.

And then at page 93 Mr. Shinwell, in answer to some further point in the debate, has this to say:

> Where does standardization come in? The French have not expressed their willingness to accept it. What about Canada? The prime minister talked about Canada and I said in an interjection that I had had discussions with Brooke Claxton, the minister of defence. He said to me, "I am not going to take sides. What we are concerned about is who is going to produce the rifle and the round."

Then at page 97 Mr. Head, speaking for the government, said this:

> The point is that Canada has stated that for her government to manufacture a rifle which has been turned down by the United States would be a course which they could not accept.

That seems to indicate that the Canadian position has been that of a person on the sidelines, and in a measure unconcerned with regard to the type of rifle which might be placed in the hands of Canadian troops. It would indicate that rightly, and naturally, Canada was interested in the standardization process, and still more interested in the matter of production—and not without reason, because the British look to the American continent for the production of rifles.

Nevertheless I think Canada's position is a bit weak in this, when we seem not to have put forward our own view with regard to the type of rifle that would be most useful and suitable for our infantry. And that is the point that bothers me. Why could we not determine and make our choice among the various types of rifles that are available—the Belgian FN, the British EM2, the modifications of the Garand that are being carried on in the United States, and perhaps others. Canadians are as familiar as any soldiers in the world with the type of rifle that would be most suitable for modern warfare. I discussed with a brigade commander who had a long and honourable career in the second world war in northwestern Europe and he told me that at one stage during the course of the conflict he was attempting to get his entire infantry component of the brigade equipped with a carbine, or a Sten gun, or a Thompson submachine gun, rather than the Lee Enfield rifle. The reason was that, in the type of attack they were carrying on, with so much night action, the shorter weapon, and the automatic weapon, was what was desirable. He failed to achieve his object. I asked him what would be his suggestion at the present time, and he said, "By all means something that is short and light and automatic".

Now, it is the opinion of fighting troops that that is essential in this matter. Too frequently, in such experiences as I have had, decisions are made by people who have not actually used weapons in the field. What I wonder is whether we have made a complete study of the rifle we have adopted now, which might well be the weapon in the hands of our forces for the next fifty years; because we cannot change from year to year the production of a standard weapon such as a rifle. You have to produce them in great numbers.

I tried to find out earlier if we had made comparative tests between the Belgian rifle and the British rifle, both adapted to use the common .30 round. However I did not get a complete answer to that question. Apparently we had observers at various try-outs of rifles. But some of those try-outs —and this is where the difficulty comes in—some of those trials which took place in the United States and Britain were between the British rifle using the .280 and the Belgian rifle using the .30. Now that they both use the same round, comparative tests should be conducted to determine which of the two is more satisfactory.

Or perhaps some other rifle would be much more satisfactory. I have been saying that Canada has played a strange part in this matter of the standardization of the rifle. She has taken a rather negative attitude, and that negative attitude may have been the decisive factor.

I have a newspaper report here which appeared in the Winnipeg *Tribune* of February 25. It is a dispatch from London to the Canadian Press referring to the estimates submitted in the British House of Commons, and is in these words:

Because the FN was the type of rifle favoured by the Canadians and is also being ordered for trials by Americans, it was decided that its adoption was the wisest course in view of the greatly increased prospects of North American production. Neither Canada nor the United States would favour the adoption of the British EM2.

So Canada has weighed the balance in this matter. And the British, whether they have preferred their own EM2 rifle because of its design and weight and other important factors, would have preferred their own rifle if it could be produced in this country. Yet we are obliged, so far as I can find out from these records, to favour the Belgian rifle because the United States rejected the British EM2 and Canada played no active part in the deliberations. I think it would have been better for Canada to have played a much more active part in this than simply to have stood on the sidelines—not interested in the rifle, but interested only in the production thereof.

I do not think that is good enough. I believe Canadian military people have sufficient experience to determine the best rifle for Canadian use, without having to adopt something that is produced by some other country. And Canada might very well have come up with some other idea. The standardization of the rifle is important; but more important is the standardization of the round, which has been achieved. And it might well be that, for Canadian purposes, something different is desirable. Are we facing up to the realities of this, or are we simply going to wait and see what the United States does?

Now, let me point out that according to a report published in the *Gazette* of May 10, 1954 bearing a New York dateline and written by Hanson W. Baldwin of the New York *Times* service, it states, under the heading "Standard Rifle Far Off":

Belgium's rifle is lighter than the M-1—

An American model.

—and fires in bursts at a rate of about 700 rounds a minute. But the FN, in later tests, did not meet trials in severe cold in Canada as well as the M-1 and T-44; there were more malfunctions and some breakages.

Well, that seems to cast some doubt on this rifle, which for some reason or other has had to be adopted by Britain, and has been rejected by the United States.

**Mr. Claxton:** What does the hon. member mean "rejected by the United States"?

**[Mr. Churchill.]**

**Mr. Churchill:** I am quoting from what I read in the British *Hansard* and from those reports. The minister has corrected me. The United States is still continuing tests with regard to the Belgian rifle. In so far as these reports are concerned, the United States has been reluctant to accept it. The Winnipeg *Free Press* of February 25 commented in an editorial on the Belgian rifle and had this to say dealing with remarks made in the United Kingdom. I quote:

Judging by Sir Winston's words, the attitude of the Canadian government was decisive. He might have been tempted to take a chance if Canada had favoured the British rifle. But without either Canada or the United States he was adamant.

That, Mr. Chairman, is the situation. I think it is a confused one with regard to the question of the type of rifle that might be adopted for the Canadian army in the future. We are in between the two larger powers, the United Kingdom and the United States, and we seem to have sided in a negative way with the United States which, according to the gentlemen in the United Kingdom, has affected their decision with regard to the type of rifle that has been selected.

I would have felt happier about it if Canadian tests had been conducted with both these rifles or others, and if a full disclosure of all these operations with regard to the rifle had been made to us earlier and if a full understanding of this problem had been presented. At the moment it seems to me to be a bit confused, and the attitude of Canada does not seem to me to be as creditable as it might have been had we taken a more positive stand with regard to this particular matter.

**Mr. Claxton:** If the hon. member is confused I am not surprised because he has indicated that confusion throughout his whole speech. He has referred to a matter which has been the subject of discussion and a released statement, which is well known. Yet he attempts at this time to confuse this committee and to confuse this most important issue.

The point that Canada made throughout was that it was vitally important, in the interests of our common defence in NATO and as between Britain, United States and Canada particularly, that we should agree on a round and on a rifle. If anyone takes issue with the part that Canada played in aiming at that objective, then I take issue with him and so does every Canadian and so does every American, and so does everyone who lives in the British commonwealth and in the NATO countries. That was a desirable aim, and we aimed at that right

through. We found that the British were not going to adopt an American or other rifle. They felt in April, 1951 for reasons of their own that they should adopt the EM rifle and they so announced. Then I felt that in the interests of combined action and union between the three countries, but particularly in the interests of Canada, which is a surplus producer of arms, we should try again to see if we could not arrive at an agreement. Is that sitting back on the fence or of taking a backward position?

I sent a telegram—and I have the permission of the British war office and also of the secretary of defence to produce it—that in the interests of our unity we must agree on a round and on a rifle. If we could not agree on that, then what sense was there in NATO at all? This was fundamental. If we could not agree on a common hand weapon, then our whole alliance would be subject to very grave criticism. Anyway, in consequence of the Canadian intervention, we had this meeting at Washington. They suggested that it should be held at Ottawa. I suggested that it should be held at Washington. The United States was represented by the Hon. Frank Pace, former secretary of the army, and by General Joe Collins, the chief of the general staff. Britain was represented by the minister of defence, the Hon. Mr. Shinwell, accompanied by lieutenant-general, as he then was, now General Whiteley. France was represented by His Excellency Jules Moch, accompanied by a high ranking French officer. I was accompanied by Lieutenant General Simonds. We met during two days. We heard the experts describe their rifles. We received the reports again. It became perfectly evident that there had not been as full an interchange of information at various levels as there should have been. In consequence of those two-day discussions it was decided that we should have a fresh look.

In answer to the hon. member, may I say that this meeting took place on the initiative of Canada. At the end of the meeting the secretary of the army of the United States said that he was grateful to the Canadian minister and to the Canadian team for the part they played in initiating this discussion and bringing them together. Then at our suggestion the discussion was transferred to the North Atlantic Treaty Organization's standing group. They agreed to a team of four on which we were represented by Major General Graham. That team brought in a report. Further studies were continued, and the result was an agreement on the round was announced at Paris, in December. When I was asked whether I would announce this agreement, it was done because the initiative was taken by Canada and followed up by Canadian generals and Canadian technicians in bringing the various groups together. The fact that I was asked to announce that agreement, and also to propose to the North Atlantic council that we should agree on this round as the standard round, has indicated that Canada was taking no backward part.

Then we came on to the rifle. If the British have adopted the FN rifle it is because the British chose to adopt the FN rifle. We do not influence the British. They make their own decisions. When that decision was announced and discussed in the house in the debate to which my hon. friend referred, some statements were made that seemed to me to have just about as little understanding of the real issues involved as those made in the speech we have just listened to from the hon. member for Winnipeg South Centre. I did not say, as quoted, that we were not concerned about what rifle or what round. How could I say that? Who in Heaven's name would ever say that? What I said was that what we were concerned with was that we should get agreement between the British, the Americans, the other countries and ourselves, and I said we would help to get that agreement. I said also that we were more interested in this than probably any other country of our size, because other countries would look to us as sources of supply, not only in the event of an emergency but in the event of the continuation of a cold war. They would expect us to supply them with rifles of one type or another, and it was of tremendous importance, in their interests, in the interests of the French, the British and everyone else, that whatever rifle was adopted would be one which would be adopted for common use and also if possible for common production in the United States, in Canada and in other countries.

We have been and we are still working towards that end. The record is totally against the view advanced by the hon. member. We have been constantly pressing to achieve an agreement on the rifle and I still hope that that agreement will be achieved. If there was anything wrong with the FN why did the British adopt it? If there is anything that requires to be corrected in this rifle on account of these Arctic trials then these corrections are and can be made and I hope they are being made successfully. If, on the other hand, it turns out that the FN is not the ideal rifle then it is still the best rifle that has yet been produced and it can be further developed. We are in the position

where we have not decided to take the FN because we want to see the results of the trials and we want to have user trials. We then want to go into production on whatever rifle we decide to produce.

All things considered I think it would be very desirable that we go into production on the FN rifle even if the United States does not choose that rifle, because it is a very good rifle and it is very desirable that the British should have an alternative source of supply outside of the United Kingdom. As everyone knows we supplied them with many hundreds of thousands of small arms during the war and with many billions of rounds of small arms ammunition. It is of vital importance that as far as possible we should work together. We have succeeded, in company with our allies and partners, in getting an agreement on a round. That is a great achievement and we now hope to succeed in getting an agreement on the rifle.

**Mr. Churchill:** The minister thinks I am confused about this matter but I am not the least bit confused. I know what I am talking about in regard to the rifle and the round, and the confusion has arisen from the lack of information as supplied by the Department of National Defence. The minister confused the issue a little more just recently by discussing at great length the standardization of the round, for which I gave him full credit in my introductory remarks. The standardization of the round was made following that conference in 1951, and at that conference the British rifle, which was under consideration, was using ·280 ammunition and the Belgian rifle was using ·30. Canada came down in favour of the ·30 ammunition and the NATO countries followed suit. We have standardized on the round and to that there is no objection.

But now the issue has advanced one stage further and it was with that further development that I was dealing. The issue has gone from that to the type of rifle to be adopted for the Canadian army. You can have a standardized round and a dozen different makes of rifles and machine guns all using that type of ammunition, and if you have the same ammunition for the NATO forces it might be better to have the same rifle. Nevertheless, if you have different makes and model of rifle each using the same type of ammunition you are on very sound ground indeed, and there is no confusion in my mind in that regard. There is no dispute on that point. We have standardized on the round.

But when it comes to the choice of rifle the evidence from the British *Hansard* indicates that Canada's attitude was decisive with regard to the British having to adopt the Belgian FN rifle and—

**Mr. Claxton:** That simply is not true either in regard to the British *Hansard* or in regard to the Canadian attitude. It has been shown to be completely untrue in the British *Hansard,* and all we have there are unproven statements.

**Mr. Churchill:** Well, I deserve thanks from the minister for giving him the opportunity to correct the British *Hansard* which has put him in a very bad light.

**Mr. Claxton:** I am correcting the hon. member's interpretation of British *Hansard.*

**Mr. Churchill:** It is not my interpretation. I have read the words of Mr. Shinwell and Mr. Head, and I shall not read them again, as some hon. members here are suggesting. The words are there and I am not interpreting them. I am simply stating what I saw there and the press reports interpret them in much the same fashion. But let me give the words of the minister himself in order to see whether the issue has not been confused by the Department of National Defence. On March 3, 1954, I received an answer to a question which I placed on the order paper. Here was my question:

> 1. Did the Minister of National Defence or any representative of his department recommend the adoption of or indicate a preference for the Belgian FN rifle at any conference of NATO countries on the subject of the standardization of weapons?
> 2. If so, when and at what conference?

Here is the answer, Mr. Chairman.

> 1 and 2. Discussion at NATO meetings took place on the round but not on the rifle and the answer to this question is consequently "No".

I was trying to get information when I put that question on the order paper and that was the answer I received. In other words, we decided on the round but we made no commitments on the rifle. Now the minister is asserting that the situation is the opposite.

**Mr. Claxton:** The answer is precisely as declared there. There is no commitment on the rifle.

**Mr. Churchill:** But the minister said the rifle was discussed at this conference and apparently it was just the round. Who is providing the confusion? That is the situation, Mr. Chairman, and I think our position could be made clear if Canada took a somewhat more positive stand with regard to this very important—

**Mr. Claxton:** May I ask the hon. gentleman a question? When the British have refused to adopt their own EM2 rifle would he ask

us to adopt that rifle when neither the British, the United States, the Belgians, the French, nor ourselves have adopted any one of the United States types? Would he not agree that the right course was for us to wait and see the result of the user trials?

**Mr. Churchill:** Obviously, Mr. Chairman, the right course is to depend on the user trials which, I would hope, would be conducted by Canadians on all of these rifles firing the standard round. I hope we are not depending on other countries to make user trials and that these trials will be conducted under such conditions that we will be absolutely certain the proper rifle has been selected. We have a record in Canada of adopting a rifle which proved to be ineffective under battle conditions, and battle conditions involve mud and difficult weather conditions under which some rifles will not operate. Is there not a chance that unless we ourselves determine that this Belgian rifle is the most effective that we might make the mistake of adopting a rifle which would not stand up under difficult conditions? And what about the statement I read from that New York report to the effect that this rifle has not stood up under some of the Arctic trials? Are we trying out other rifles under the same conditions; is every country giving them the same test, and is Canada undertaking these tests?

**Mr. Claxton:** I can assure the hon. member that we will make our decision on the basis of tests and trials by Canadians as well as by others working in this partnership.

**Mr. Harkness:** During this debate and in speaking in previous debates the minister has always expressed a high degree of satisfaction with the condition of the Canadian army. I refer particularly to the organization, the adequacy of equipment and so forth. I think we are all agreed on the high calibre, on the whole, of the officers and men in the Canadian army, and that all wish to pay tribute to them whenever the opportunity presents itself. However, in view of these numerous statements by the minister which are echoed by the people on his side of the house —the ones who have spoken in this debate today—I should like to devote some time to an exercise which was held last year, called Buffalo IV and which was heralded widely in the press as the largest peacetime exercise in the history of the Canadian army.

These exercises or schemes are put on, of course, to give training to the troops and also as a test of their efficiency from various points of view as for example, their efficiency as subunits, as units, as formations, the efficiency of the various officers in exercising command, tests of weapons and so on. As I say, this exercise which was heralded as the largest army exercise in peacetime as far as Canada was concerned was held last year in August.

There was a great deal of laudatory comment put out by the P.R.O.'s and so on. However, there attended at this exercise a reporter for the Calgary *Herald* by the name of Jim Senter who wrote four articles which were published in the *Herald*—I do not know what other papers they may have been in—giving his impressions of the exercise. I may say that I think he is particularly well qualified to give his impressions of this exercise. He went overseas. He happened to be in the same unit that I was in. He became an N.C.O., subsequently was put up for a commission and later served as a commissioned officer in the artillery. The particular article that I will start with, quote from fairly briefly and comment on is headed "Manoeuvres Reveal Weaknesses in Army; Many Improvements Considered Urgent to make Army Effective Defence Force". The article then goes on to say:

> Exercise Buffalo IV, the biggest peacetime workout of the Canadian army, has passed into history and, with its passing, five basic weaknesses of the army stand revealed.
>
> These weaknesses are to be found in the armoured corps,—

My friend the hon. member for Winnipeg South Centre has spoken about this matter at some length today and previously.

> —the artillery,—

About which the Leader of the Opposition had something to say.

> —the signal corps, the supply services, such as the Royal Canadian Army Service Corps, and the reserve army.
>
> Basically, these are shortages of men and equipment but there is more to it than that.
>
> There is the lack of proper training, units employed out of context, improper thinking, units that don't exist that should exist and units that have failed to be expanded in proportion to the increasing needs of the Canadian army.

The article then goes on and elaborates on those various points. I am not going to take up the time of the committee to go into all those matters. The point I want to make is that the rosy picture painted by the minister, particularly as to the situation in the Canadian army, is just not borne out by the exercises which have been held and by the facts, as far as competent observers who had the opportunity to look at them have reported. The organization of the army generally, as has been stressed by my friend, the hon. member for Winnipeg South Centre, is wrong, in my opinion. Certainly the equipment is not adequate and in many cases it is

much out of date. This article goes on—it is talking about the armour to begin with—to say this:

The Strathconas—

The Strathconas are the armoured regiment in the west and are an exceptionally fine regiment. I have the honour of belonging to their mess as an honorary member and I have had the opportunity to observe them at their exercises at Sarcee and they are extremely fortunate to have a training ground right at their back door. I think they are in a high state of efficiency. The article continues:

—who supplied the armour for Buffalo IV, could provide only half their full strength for the exercise. One of their squadrons is now in Korea and the second is just now coming off leave, having only recently returned from Korea.

This left two squadrons for the exercise and, of these two, one—"C" squadron, the first Canadian armoured unit to go to Korea—had to act in what is a new role for the Canadian army: heavy gun tanks . . .

The role of the heavy gun tanks is strictly defensive. It calls for a 65-ton tank mounting a gun ranging in size from 120 to 185 millimeters. Present thinking seems to favour the high velocity 120-mm.

Such a tank mounting such a gun certainly does not exist in Canada, and it is doubtful if a good version of such a weapon is to be found anywhere in the western world. "C" squadron had to use the obsolescent Sherman tank mounting a 76-mm. gun to simulate the role.

In their heavy gun tank role, the tanks were responsible for the divisional anti-tank defence—

I should like to stress that statement, that they were responsible for the divisional anti-tank defence. To continue:

—and provide depth and greater hitting power to the anti-tank screen provided by the infantry anti-tank platoons and the field artillery.

They are sited so that the enemy tanks in the offensive—

And so on. We do not need to go into that. To continue:

Though this role is new to the armour, it is not new to the Canadian army. In the second great war it was performed by anti-tank regiments using towed and self-propelled guns under the command of the artillery.

Aside from the fact that equipment for the heavy gun tank role does not exist . . . the biggest lesson learned here was that normal tank squadron and troop administration methods aren't enough.

I should like to follow up a bit this matter of anti-tank defence. It happens to have been the particular arm of the artillery in which I served for most of the war. Hence I have a certain amount of knowledge of it. About two or three years ago apparently a decision was taken—though it was extremely difficult to get the minister to admit it—that the anti-tank role would be taken on in future by the armoured corps and there would cease to be artillery anti-tank units. However nothing firm really has happened about the matter since so that for the past two years or more the anti-tank regiments in the artillery—and those are the reserve anti-tank regiments, of course, because there are no permanent force ones—have been sitting there. They had their anti-tank weapons taken away from them. Some were given 25-pounder guns, some were given other guns. They are just sort of marking time not knowing what they would do.

In the meantime, nothing was done in the matter of building up anti-tank forces amongst the armour. The total result is, as is indicated here, that even the permanent force armoured regiment have had no training in anti-tank war. In spite of the fact that anti-tank defence was demonstrated during the last war as being one of the most important elements in the modern army, we have absolutely no anti-tank elements in our army at the present time. It was the lack of sufficient anti-tank weapons which enabled the German break-through of armour to take place in the overrunning of France in the early part of the war. It was the existence of a screen of German anti-tank guns which prevented our own armour from breaking through the German defence when we attempted it to begin with outside of Caen.

First the British army and then the Canadian army were foiled to a large extent by a screen of anti-tank guns. In spite of all the lessons of the necessity of anti-tank guns, particularly self-propelled anti-tank guns, the Canadian army has absolutely none now. The two regular force armoured regiments have had no training in the role, and as is indicated here this test showed that their troop organization and so forth was not of a kind that would enable them to carry out that role successfully. I will read further. He elaborates on that.

**Mr. Claxton:** Who is "he"?

**Mr. Harkness:** I indicated that. This gentleman is Jim Senter who is either with the brigade in Europe or has just returned from there.

**Mr. Claxton:** A newspaper reporter, a reporter for the Calgary *Herald*?

**Mr. Harkness:** Yes. As he says here, this does establish that normal tank squadron and troop administration methods are not enough to enable them to carry out this difficult role. He continues:

Normally, a troop commander has his tanks close together and he can handle them and fire them from the turret of his command vehicle. In the heavy gun role, the tanks are widely deployed, dug

in and lying doggo. For better efficiency in fighting his tanks and in the administration and supply of the needs of his men, guns and vehicles, it is better that the troop and squadron commanders operate from a separate small headquarters of their own, leaving their command vehicles to be fought by a non-commissioned officer. These were lessons learned by the anti-tank regiments during the last war, and, for some reason, not passed on to the armour for the proper handling of their new role. Why has the armoured corps not been expanded to proportionate size with the rest of the army and why are the heavy gun tanks not available?

Those are two unanswered questions and two questions which of course I think the minister should answer. I should like to say a little more about the present anti-tank role which the armoured forces have taken on. As the result of some five years' experience during the last war I found it was a very difficult matter to train officers and men to deploy and handle anti-tank guns properly. Even after the long period of training we had in England a considerable number of guns were always badly placed. As a result some of course were lost and others would not have been effective if a tank attack had been made through their positions. It is a branch of army work which people just cannot walk out and do. It takes a lot of training and, as is indicated in this article, you need an administrative set-up within the troop and within the regiment so that the troop commander can control the placing of his guns and the squadron commander can control the deployment and fighting of his troops.

The way the armour is organized at the present time they just cannot do it. The squadrons which are with the troops in Korea and Europe at the present time have apparently been given this role and they are not able to carry it out because they are not organized properly for the purpose and they have not been trained for it. I repeat that we are really left without any anti-tank defence. In other words, from that point of view we have not a modern army at all or anything like it.

So much for that subject. There has been a good deal of talk about whether there is or is not sufficient equipment. Certainly there is no anti-tank equipment. That is one thing we are definitely short of. Here is another article about the same exercise which is headed, "Reserve Army Gunners Find Weapon Shortage". I wish to deal with this now because it also concerns the regular forces. That happens to be the heading of the article but it deals with the regular force gunners as well as those of the reserve force. The dispatch is from Wainwright and reads as follows:

Perhaps the most shocking disclosure to come out of the Canadian army's recently completed exercise Buffalo IV held at Wainwright military camp, is the ragtailed state of the divisional artillery . . . Two regiments of artillery were deployed for the manoeuvre and, for lack of better names, were known as—

We do not need to go into that. The two regiments were made up of detachments from four of the reserve force units. This was their summer camp. I continue:

In all, reservists contributed by these four regiments totalled twenty-eight officers and seventy-two other ranks—

The total war strength of course of these four regiments would have been approximately 3,200 men all told. However they were only able to muster for this exercise 28 officers and 72 other ranks, and this constituted summer training. I continue:

Added to the reservists was a parachute battery from Canada's airborne brigade, "Z" battery, R.C.H.A.—

That was formerly an anti-tank battery but it is now converted to a parachute battery.

—which, normally, uses 4·2 in. mortars, and regular army gunners from the 119th and 129th light anti-aircraft batteries, Victoria. The anti-aircraft gunners were given a two to three week conversion course from ack-ack to field artillery before proceeding to Wainwright for the exercise.

In other words, in order to hold this exercise in the western command and to put out in token form two field regiments to represent the divisional artillery—of course they would not because there would be three field regiments which would be backed up by a medium regiment—they had to bring in this regular force parachute battery and detachments from two ack-ack batteries on the Pacific coast.

This afternoon the hon. member for Wellington South said that there was plenty of equipment, that these people in the artillery units were all right and so forth. This article gives some idea of the number of people they can get out for summer camp. I will go on to something about equipment. He continues:

Cutting echelon groups to a minimum and eliminating wagon lines, cooks and tradesmen wherever possible, this left more than enough gunners and specialists to man, control and fire the some twenty-three 25-pounder field guns provided.

Why there were 23 provided I do not know. Twenty-four is the number for one regiment, not two regiments. I presume the reason there were 23 was that was all they could dig up in the western command to take out on the exercise. He continues:

It comes as something of a shock when it is realized that, of these twenty-three guns, only eight could be fired in a live shoot.

Mark you, there are 23 guns on the exercise representing the divisional artillery, one gun short of the number there should have been for one field regiment, and of these 23 guns only eight could be fired. The others were there really as dummies on which people could do gun drill. Only eight could be fired in a live shoot. He continues:

The remaining fifteen had to stand idle in their gun positions. For the most part, these guns had not been calibrated. "They want reserve army men to come to camp and they can't even give us enough guns when we get here", said one reserve officer with considerable bitterness. I know a lot of reserve army gunners who won't be here next year."

As we have continually pointed out in the house time after time, there is one of the reasons why more people do not go to summer camp and do not turn out for the reserve forces. It is all right for the minister and the member for Wellington South to say that there is all kinds of equipment for these reserve force units, but when you discover what actually happened in this biggest exercise ever held in peacetime by the Canadian army you find that they only had eight guns that would fire for the entire divisional artillery. Naturally men are going to be disgusted. That kills their morale and they say "the heck with it, we will not come back." That is the kind of thing that kills morale and points up the terrible situation that exists. We ask that it be corrected. The article continues:

In some cases, three guns had to simulate a battery. During live firing, which occurred on only one day of the whole exercise, and that toward the end, gun crews had to line up and wait their turns at the guns.

Now, that was a fine exercise, was it not? Here is the biggest exercise ever held in Canada in peacetime and these gun detachments had to be brought from wherever their guns were and lined up one behind the other to take a turn at firing a few rounds of ammunition. That is extremely realistic training. It is certainly the type of training that is going to encourage people to join or stay in our reserve forces.

There was bad feeling over this among members of the reserve army as they felt they should have been given preference over the regular gunners in the firing practice. As it was, the reservists claim, it was the other way around.

In other words, instead of giving the reserves, who were out there for summer training practice, an opportunity to fire live ammunition, it was given chiefly to the regular army gunners. Perhaps that was the only practice they had, too; I do not know. It was felt the regular army had priority. I shall not go on with the rest of this article, but I should like to read one or two more sentences:

What makes all this so depressing is the thought that the gunner representation on "Buffalo IV" represented the artillery resources of western command, the largest and probably the most important command in Canada.

I cannot resist reading the final paragraph:

In spite of everything, however, the gunners were reasonably well on their toes. And, as this reporter wandered about through the exercise area, the gunners were the only people who met him with levelled rifles and demanded to see his credentials.

In other words, the gunners are always on the job in spite of the difficulties imposed by this government or any other.

**An hon. Member:** Did they have rifles or broomsticks?

**Mr. Harkness:** They had rifles, but probably they would not fire.

The Calgary *Herald* commented on this editorial—

**Mr. Claxton:** I think "editorial" is the right word.

**Mr. Harkness:** I am glad the minister says it is right.

**Mr. Claxton:** I said that I think "editorial" is the right word for this so-called report. I was referring to this so-called report of what happened and the hon. member said this "editorial" and I agree with you that it seems to be editorializing.

**Mr. Harkness:** The reporter was giving his impression, and if the minister had been listening when I started he would have heard what this reporter's qualifications were.

**Mr. Claxton:** I asked, and the hon. member told me.

**Mr. Harkness:** I outlined the whole thing at some length before that, and just told the minister his name. The editorial is from the Calgary *Herald* and it speaks of this exercise in these words:

It was designed to test a division in a defensive role . . .

The first, and biggest, thing wrong with the whole operation was that there was no division to test, defensively or otherwise . . .

Operation Buffalo IV was supposed to be a western command exercise. Scraping the bottom of the barrel in both the regular and reserve army, western command fielded about one half a division. To make the exercise possible, other commands had had to be called in to help. The signals system alone required 900 men. The combined resources produced about 300. Food had to delivered by trucks in the field because there were neither sufficient men nor vehicles to provide a proper field ration and feeding system . . .

It is a waste of words to say again that this is a shocking condition to find in Canada's army in these times. It is past the shocking stage. It is enough to make anybody's hair stand straight on end, whether it is regarded from the standpoint of national safety or from the mundane angle of $2 billion a year being spent on a travesty of defence like this.

As I say, that shows the picture presented by a competent reporter with a military background, and without any axe to grind, except he is still a member of the reserve forces and so far as I know desires to improve the reserve and regular forces of this country. As the editorial says, it is indeed a shocking picture.

While I am on my feet, I should like to just indicate some of the things this same reporter found in the Canadian brigade in Germany, from where he has just returned and upon which he wrote another series of articles. I have one here which appeared in the Calgary *Herald* of Friday, June 4, and it is headed "Equipment Shortages Plague Canadian Troops in Germany". The heading, of course, was put on by the newspaper but the dateline is Soest, Germany. We have been told by the minister that we have all kinds of equipment, and so forth; no difficulties along this line; everything is rosy and everything is of the best. I am not going to read all this article, but I am going to read about a few of the shortages this reporter found and for which there seems to be absolutely no excuse. Here is a quotation from one of the men who said:

We can send 80 jet fighters to the Netherlands, but we do not even have shoe laces or stoppers for our own water bottles.

Then, the article goes on:

The shortages are to be found in transport, weapons and clothing, and much of the equipment at present possessed by the brigade is old, worn out and obsolescent.

And the thing which makes the Canadian soldier so angry is that this is supposed to be a show brigade. They are the only true NATO troops in the area, but they still have the worst equipment.

To be found close by are both the British and the Belgians. Both are occupation formations, operate under reparations and have the power of requisition. The Canadians, however, are NATO troops and, as such, pay their own way out of Canadian funds.

Yet, the British equipment is something out of this world—a dream to behold—and the Belgian units all have brand new transports and the finest weapons. But Canada's stuff is old and worn out and any large scale move means a widespread dotting of broken down Canadian tanks and trucks.

Just to look at the question of military transport, an item of vital importance to any military formation:

Military transport for the Canadian brigade totals approximately 1,800 vehicles of every kind for all units. In addition to these, extensive use is made of the German Volkswagen as "runabouts" within the brigade area.

"It would take 200 three-ton trucks to carry all the spare parts used by military vehicles since the brigade came overseas last fall" said one officer who was in a position to know . . .

Everywhere within the Canadian brigade area in Germany today, transport is critically short in supply. "It's not that there is anything wrong with our maintenance, it's just that the breakdowns occur more rapidly than the repair services can fix them", another officer added.

"The vehicles are just old and worn out. They were not new when they came over here and they have travelled all over Europe, from Normandy at D-day to Berlin. We put in a new engine today and the vehicle is running fine. Tomorrow the rear end drops out."

And, as they look at their broken down vehicles, spread over the autobahns and by-roads of Europe, the Canadian soldier sums it up nicely. "It's embarrassing", they say.

The article says that weapons are another item of great concern, and talks about rifles. It reads as follows:

The rifles, for example, are worn and pitted, and, in many cases, have been re-blued over the rust. Bren guns, too, are badly worn and, in the case of one unit, out of approximately 80 Bren guns provided for in establishment, only ten could fire when first taken over by the unit.

Then the article goes on to deal with various other items of equipment. I am not going to take any more of the time of the committee to read this. There is a report by a responsible and competent observer, concerning what he saw in the early part of this month when visiting our brigade in Germany. The truth of the matter is that I believe we have had a situation with regard to this brigade in Germany misrepresented to us. I cannot say anything else. Quite evidently, the brigade has old equipment. It has rifles which, in many cases, probably if safe to fire at least are not going to be accurate because they are pitted and rusted.

**Mr. Dickey:** Would the hon. member permit a question?

**Mr. Harkness:** Yes.

**Mr. Dickey:** Did the hon. member hear the commander of the NATO forces, General Gruenther, speak the other day about the Canadian brigade; and does he believe that a competent and brilliant staff officer of his type would have said what he said about the Canadian brigade if what the hon. member says about it were true?

**Mr. Ferguson:** Oh, you think generals know everything about it.

**Mr. Harkness:** Mr. Chairman—

**Mr. Ferguson:** All the experience he has—

**The Chairman:** The hon. member for Calgary North.

**Mr. Harkness:** Yes, I heard the report, and I think the report was absolutely correct. As

I said at the beginning, I think there is nothing wrong with the commanders, the officers or the men; I think they are absolutely splendid.

**Mr. Claxton:** Everything is right except the shoe laces.

**Mr. Harkness:** But according to this report —and I have confidence in it—the equipment those people have been supplied with is not up to scratch.

**Mr. Dickey:** Have you no confidence in General Gruenther's report?

**Mr. Harkness:** General Gruenther said nothing about equipment. He never mentioned equipment. He said the brigade was a fine brigade.

**Mr. Dickey:** He spoke of the brigade as an operational brigade, and that includes equipment.

**Mr. Harkness:** I have no doubt they are fine men. But it is made clear from this report; and I challenge the minister to deny the accuracy of this report—

**Mr. Claxton:** I do accept the challenge, and I deny it.

**Mr. Ferguson:** All they do is challenge.

**An hon. Member:** Why don't you prove it?

**Mr. Harkness:** The minister challenges it. Are not those vehicles the same vehicles that we went to France with, in the invasion of the continent, during the last war, or that we went into Italy with, the year before that, in 1943?

**Mr. Dickey:** No.

**Mr. Harkness:** Are they not the same vehicles? I challenge the minister.

**Mr. Claxton:** No.

**Mr. Harkness:** What vehicles are they, then? I am asking the minister: What vehicles are they, then?

**Mr. Ferguson:** It is not in the public interest to tell!

**Mr. Harkness:** Let the minister tell us what vehicles they are.

**Mr. Dickey:** Sit down, and let him have a chance.

**Mr. Harkness:** Now, look, Mr. Chairman, the minister dare not say that they are not the same vehicles. He dare not say it, because they are the same vehicles. He started out to say it. I asked what vehicles they were, and he is not able to tell me. They may be vehicles which were used in England during the war; but they are either vehicles we used in England during the last war, or the vehicles we left in France and Italy, one or the other. And if the minister wishes to say something, I will sit down.

**Mr. Claxton:** Yes. I am afraid I cannot dig up the vehicle number of every motor vehicle in the armed forces. We have 31,000 of them. I will tell my hon. friend that the vehicles that went abroad with the 27th brigade to Europe were either new or as good as new—completely rebuilt motor vehicles. They were as good as could be found anywhere for any purpose at that time, and they went abroad in perfect condition.

**Mr. Harkness:** When?

**Mr. Claxton:** They may have had some use, but they were well maintained. We have some motor vehicles of new types we have been producing, and we have proposed to issue them as the old ones wear out. Of course that is natural enough. Why should it not be?

**Mr. Ferguson:** Good old rebuilts! The old rebuilts with the Canadian army!

**Mr. Claxton:** Would you like us to throw away every motor vehicle?

**Mr. Ferguson:** Would you buy a second-hand car? You know you would not.

**Mr. Claxton:** We have to rebuild and rebuild. And we rebuild them just as well as they can be rebuilt. And if they were not rebuilt my hon. friend opposite would be the first to complain about our throwing away two-year-old models.

**Mr. Harkness:** Mr. Chairman, I think it is quite apparent that these vehicles are vehicles which were produced during the war, and which were used during the war. There may be a few of them that were not used at all, as the minister says, but they were vehicles produced during the war, and they were vehicles for the most part used during the war. Whether they were used in Canada or in England or in Italy or in France does not matter. The fact is that now they are worn out. They have had all that wear, and they have been repaired and repaired and repaired. And I am glad they have been repaired. But apparently they have reached the stage where it is not economical to repair them any more.

It is all very well for the minister to say, "We will keep on repairing them, to save money". But if you have ever had a fleet of trucks, and in that fleet you have a truck with a great number of miles on it, you know it is not economical to repair it any more. You are just throwing money away. You are far better off to get rid of it and get a new one. And I think, from what I can

make out, that that is the situation with regard to these vehicles with the brigade in Europe at the present time.

**Mr. Dickey:** Never mind the expense!

**Mr. Harkness:** We could save money, but not by attempting to repair worn-out trucks.

**Mr. Dickey:** What about worn-out arguments?

**Mr. Fleming:** Or this worn-out government.

**Mr. Harkness:** Your argument is as worn-out as the trucks, and has as many holes in it.

**Mr. Dickey:** Don't go away mad.

**Mr. Harkness:** So far as the other shortages are concerned, I have not the slightest doubt that they existed. The minister does not seem to know at the present time whether they existed or not. I would think it would be up to him to see if that is the situation; and I will be interested to see if it is correct. He should try to find that out, instead of getting up as he did a while ago and making the blunt assertion that none of this is correct. Here is an observer, a competent man with considerable background. There is absolutely no doubt that he is not the type who would send in an utterly false report about these things he saw. He is giving a news report on it. And if the minister followed the reasonable procedure he would find out to what extent this is old and worn-out equipment, and to what extent proper equipment is supplied to these troops.

**Mr. Claxton:** I do not know how far I need to go in following Mr. Senter in his trip around the world. But it does indicate how difficult it is to answer the reports of a reporter as quoted by a member. There used to be a pretty good rule that you could not read newspaper reports in the house, because they are not evidence.

Now, with regard to what he said about this exercise—I was not there and I have never seen the report to which reference is made, and to which the hon. member referred. It must have escaped me. But I can tell him I am informed that this exercise was not the biggest exercise ever held in peacetime.

**Mr. Harkness:** That is how it was advertised in all the papers.

**Mr. Claxton:** I am not responsible for the papers.

**Mr. Harkness:** Your P.R.O.'s are, though.

**Mr. Claxton:** Not at all. He says that there was no divisional artillery. This was a brigade exercise, with only three battalions who were to go to Korea. They are in Korea, and so far as I know they are doing excellently. They were the three battalions of the R.C.R.'s, the P.P.C.L.I.'s—no, the Black Watch and the Second Queens—

**Mr. Ferguson:** Who else, tell me?

**Mr. Claxton:** And the Fourth Guards. These are very good battalions. They had a brigade exercise, but for the purpose of holding the exercise within the framework of a division they asked some reserve units to come in to form up the framework of a division. Any hon. member who served in any armed force in any war knows that you have exercises at the divisional level with sometimes no more than 150 officers present. That sometimes is done.

Then, the kind of remarks the hon. member has made about equipment—I just do not understand them, because we have no end of 25-pounder guns. We have given away probably a thousand. We have a surplus still, and they are available at command headquarters, as is all other equipment, for use by the reserves, as they can be used to advantage by them. It is not distributed to units beyond their capacity to use, store and maintain it, and that makes sense too, and that is because the reserve forces want it that way.

With regard to this business of equipment of the brigade overseas, I think the senior member for Halifax made a very good intervention, but the hon. member for Calgary North said that I should have made an inquiry and got a report. But I got a report of all this as soon as I saw the Senter piece. But I should like to refer to this against the background of the previous Senter piece:

> Canadians draw Soviet interest as commonwealth exercises open.

That is the first part of it.

> Canadians beat "desert rats", dominion's brigade in Germany excels in week-long commonwealth army exercises.

That was the second article:

> Calgary units star in "War".
> Canadian infantry put on good show against crack British in German scheme.

That was the third article. It was in this latter one that he dealt with equipment. Perhaps I will agree with the hon. member when he says that this was a good job and a very authentic and reliable reporter with regard to the first three articles, but when he comes to the fourth I must only assume that he has picked out bits and pieces of the kind of talk that you get around if you look for that kind of talk. This again is significant. I have the word of the chief of the general staff that any shortages that developed would be of a temporary nature only, and

would represent only the time necessary to call on reserves on the continent or in the United Kingdom.

Then a very big thing was made of the shortages of shoe laces. Well, now, shoe laces are not a very important element in fighting, but still it is a very important element in veracity, and I took this one up, too, and I had a signal sent across to the other side asking: "How many shoe laces have you got?" That is the kind of thing we are led into by this kind of talk, and I think it is a waste of public money. However, I found out that I have here from Brigadier Anderson in West Germany, a very fine officer commanding the brigade, information that we have a total of 5,206 pairs of shoe laces in the brigade, and I assure the hon. gentleman that there is no shortage.

**Mr. Harkness:** The point is, when did they get them, after this article was written?

**Mr. Claxton:** They could not get them after. The hon. member made some remarks about anti-tank activities. Our troops are trained in anti-tank activities, whether they are armour, artillery or infantry, and that is about the biggest single item, the biggest single aspect of the field training that they have to do. How he can say they are not trained in anti-tank activities, I do not know, because he must have known. I have been at exercises at Wainwright and Petawawa and he must have been; I have seen them in Germany and seen them constantly in films that have been taken—there is a major field of continuous anti-tank activities. We try to have the latest types of training work, the latest type of dropping is practised, and they use the best kind of equipment.

**Mr. Harkness:** On the basis of some five or six years experience of this, I can assure the minister that his remarks that everybody is trained in anti-tank activities and so forth merely indicate his complete lack of comprehension in regard to the role of these anti-tank guns and the methods of handling them, deploying them and everything else. When he says the infantry, the armour and everybody else are trained in the matter of anti-tank defence, he is talking about the medium anti-tank defence of a particular area where the platoon is or the company or anything else along that line. The very fact that he made that statement shows that he knows absolutely nothing of what I was talking about, just absolutely nothing.

**Mr. Dickey:** Do you know?

**Mr. Claxton:** I do not know what the hon. member is talking about.

[Mr. Claxton.]

**Mr. Harkness:** The minister's remarks prove that he does not know, or he would not have made the remarks he did.

**Mr. Claxton:** He talks about heavy anti-tank guns. We have anti-tank guns as a part of the tank equipment in the Centurions, and they occupy today an anti-tank role. That is their role. If he is talking about something heavier than that—

**Mr. Harkness:** No, I am not talking about that. They are not organized to carry out the role. That is what I was saying, they cannot do it.

**Mr. Claxton:** They are doing it steadily.

**Mr. Harkness:** They cannot do it effectively.

**Mr. Claxton:** They are doing it steadily.

**Mr. Harkness:** Mr. Chairman, he says they are doing it steadily. It is indicated in this article that an organized tank troop, tank squadrons cannot carry out that role effectively; it just cannot be done.

**Mr. Churchill:** I have a subject here in which the minister is thoroughly informed, but he should give some information to the committee on this. This is the last topic I propose raising, and I shall be as brief as possible. A major decision was made in regard to the units within the Canadian army some time last year, and the Regiment of Canadian Guards was organized in October. On November 26, when the minister spoke in the House of Commons and gave a review of the situation in so far as national defence is concerned, he did not mention this major decision, nor did he mention it on May 20 when he spoke in this particular debate, and I wondered at his reticence in regard to this matter.

Why should we not be informed when a new departure is entered upon, a new active regiment is formed? I put some questions on the order paper to elicit information. The minister will recall that subsequently I asked him about the order of seniority of the regiments. There are not very many of them but at the moment he could not recall what it was, and yet a major decision to create the Regiment of Canadian Guards was made some time last year and this new regiment was named first in the seniority list. That is a complete departure in recent times from the army tradition, and some explanation should be forthcoming.

Well, the only way we have of getting information here is by questions on the order paper or by asking the minister. I did what I could. I asked him to name the infantry regiments in the Canadian army, when they

were formed and to give their battle honours. Of course the committee will recall the astonishing information which came as a result of these questions. The answer as to the infantry regiments is as follows, and I think their names should be recorded.

**Mr. Claxton:** What is the date of that?

**Mr. Churchill:** March 10, 1954. My question was:

What are the infantry regiments of the Canadian active army?

The answer was:

The following are the infantry regiments of the Canadian army, active force: (a) The Regiment of Canadian Guards; (b) The Royal Canadian Regiment; (c) Princess Patricia's Canadian Light Infantry; (d) Royal 22e Regiment; (e) The Queen's Own Rifles of Canada; (f) The Black Watch (Royal Highland Regiment) of Canada.

Then I asked for the dates when these regiments were originally formed. The answer was:

Their dates of original formation are: (a) October 16, 1953;

That is the Regiment of Canadian Guards. The Royal Canadian Regiment, December 21, 1883; Princess Patricia's Canadian Light Infantry, August 10, 1914; Royal 22e, October 22, 1914; Queen's Own, April 26, 1860; the Black Watch, January 1, 1862. My third question was:

What are the battle honours of each regiment?

The answer to that I will not read in full but part of the answer reads:

(a) The Regiment of Canadian Guards: none.

So here we are faced with this situation. The first regiment in seniority of the infantry regiments in the Canadian army is the Regiment of Canadian Guards, organized in October, 1953, carrying no battle honours. If you look at these other famous regiments you will see that their battle honours run from 20 to 27 and that is not counting the battle honours which will be accorded them after the second world war and for Korea. The older regiments have a great tradition behind them. I shall not dwell on the statement on the value and importance of tradition made this afternoon by the hon. member for Simcoe North in very fine terms. It is important, as he pointed out. Here we have a new regiment the first of the line and the senior regiment of the Canadian army with no tradition behind it.

**Mr. Ferguson:** Shame.

**Mr. Churchill:** I wonder why the minister in organizing this new regiment did not bring behind it some of the other regiments which have an honourable history in the Canadian army. He could have incorporated the footguards, the horseguards, or the Canadian Grenadier Guards. These names are not unfamiliar within the army. Why were they not made a part of this regiment and their battle honours carried over so that men serving in this new regiment would have something behind them which would serve as an inspiration?

I shall not read a newspaper report, Mr. Chairman, but I would like to refer to an advertisement which has been put in the newspapers and which is the responsibility of the Department of National Defence. It reads:

Applications now being accepted for the new Regiment of Canadian Guards.

And then listen to the sentences which follow: "Second to none on the parade ground." That seems to be the first matter of importance.

**Mr. Ferguson:** Never fought and were never defeated.

**Mr. Churchill:** I wonder if this is a great inducement—

**Some hon. Members:** Quack! Quack!

**Mr. Ferguson:** Listen to the crows.

**Mr. Churchill:** Then it goes on to say:

Incorporating the colour and smartness of military tradition at its finest, the Canadian guards ranks first among the army's regular infantry regiments.

Further on it says:

Right now there is a requirement for young men who would like to share in the colourful dress and ceremonial activities of the new Canadian guards.

**Mr. Ferguson:** Chocolate soldiers.

**Mr. Churchill:** I was a bit shocked in 1946, Mr. Chairman, when I returned from overseas to see advertisements appearing in our newspapers and carried on buses urging young men to join the forces and offering them security. I think that was a remarkable statement to be put out, to urge young men of 18 and 19 to enter the services in search of security. Fortunately those advertisements disappeared and were replaced by others which made a different appeal to the young and active members of the population. This advertisement for the Canadian guards is reverting to that type of thing which appeared in 1946, and which places the emphasis in the wrong direction.

I do not know whether the men who are in the Regiment of Canadian Guards have been drafted or in what manner it has been formed but I hope the minister will give us a complete statement. My sympathy goes to those men who will be attempting to do their duty as they see it and who have back of

them no tradition. It could have been arranged that they had something back of them in the way of tradition. But instead of that the emphasis is put on the parade ground and on ceremonial drill. In this century during which we have had war for most of the time we have no time for that type of emphasis. There is a place for ceremonial drill, for fine trappings and for good appearance for men in the armed services, but surely the emphasis should be on other matters. The emphasis must be on fighting quality and the men who enter the armed services must be prepared to risk their lives, and they will risk their lives if back of them they have a tradition within their regiment to look up to and which will comfort them in time of peril. Let me just quote from Field Marshal Sir William Slim, former chief of the imperial staff:

> One vital element in army life is pride of regiment which is still the foundation of the British soldier's stubborn valour.

Pride in regiment is an important thing. I am not unaware that regiments formed in time of war and placed on active service can very quickly acquire esprit de corps and build up a tradition such as was done by the Royal 22nd and the Princess Patricia's in the first world war. I have known regiments in both world wars, hastily formed and put into action which soon developed a fine esprit de corps and a magnificent tradition. But it is only on the battlefield that that can be developed and it seems to me to be rather a mistake to organize now, out of the blue, a regiment such as this and giving it the rather famous name of the Canadian guards with the implication that it is—and I believe it is to be—affiliated with the guards of Great Britain. That famous name is being used and yet behind this regiment there is nothing in the way of tradition. It will be difficult for the officers and men serving in the Canadian guards when they come in contact with some other regiment just to rest on their laurels as being a great parade ground regiment or a regiment expert on ceremonial duties. They have no tradition behind them of service on the battlefield and I think they are being placed in an awkward position. My sympathies go out to the officers and men who are at present serving in that regiment.

There is still time for the minister to do something about it. He can make the necessary arrangements to incorporate in that regiment some of these others regiments in Canadian history which have an honourable record. I do not know why the minister should not explain to the house at an early date when decisions such as this are taken so as to avoid misrepresentation, if you like, and misunderstanding, and to avoid criticism. We would gladly have heard him on November 26 with regard to this major decision, but not a word was said and we were dependent on the press and advertisements in the newspapers for information of this nature.

I hope the minister will tell us the purpose behind this and what he proposes to do to give this regiment something more than is implied in the advertisement to which I referred. It cannot compete properly with these other famous regiments, with their great tradition behind them, on such a slim basis as that. It has been named the senior regiment in the Canadian infantry and these other regiments with a much longer service have been overlooked. I hope that it is not intended to be just an imitation of the guards of England who are held in the highest respect among fighting men throughout the world. I hope it is not that. We do not want in this country an imitation of something elsewhere. We have our own products.

But as I say, the word "Guards" has been used in the Canadian army for many long years by those other regiments that I have mentioned and we could quite properly use it if we incorporate them in this formation in some way. But at the moment the impression abroad is that this is some new regiment designed to be second to none on the parade ground, designed to be first in executing ceremonial drill, with no fighting tradition behind it and not being prepared for battle. I think that the wrong type of suggestion is being made to our young men to join that regiment. I would not have taken this time on this subject, Mr. Chairman, had the Minister of National Defence earlier in the year taken the house into his confidence in this matter and given us the information which we deserve to have.

**Mr. Claxton:** I think I should answer the hon. member, Mr. Chairman. He says he did not get any information. A release was issued in my name announcing this decision. I should say it would be in October, 1953. The regiment came into existence. They started work. Then the hon. member asked a question which was answered on March 10, 1954 giving him the information. But then all this kind of thing that he has just said was raised by another hon. member on May 21, 1954, as reported at page 4974 of *Hansard*. It is all there. Why he should be so greatly concerned about the matter, I do not know.

I can tell him that the regiment of guards is going great guns. It is derived from some famous units of the Canadian army. The first regiment of the guards is derived from

the third battalion of the R.C.R.'s. The second regiment is derived from the third battalion of the P.P.C.L.I. The third regiment is derived from the first infantry battalion which is in turn derived from five famous units of the reserve forces. The fourth guards battalion is derived from the second Canadian infantry battalion and is now on service in Korea.

As far as I know the question has been raised—and I think I am right—only by the hon. member for Peel, I think it was, and this hon. member who has raised the question tonight. I have not had a single word of complaint from either the old battalions or the new. They are getting along well. They are working well. They are doing their job. They are good Canadians. They are going to be good soldiers. They have a fine background of tradition through their origin. By what other name you could call them to suit the Canadian scene at that particular moment, I do not know.

**Mr. Ferguson:** Mr. Chairman, when you take an unknown regiment and put it at the top of the list of Canadian regiments and put last the famous Queen's Own regiment of the city of Toronto and the little black devils of Winnipeg, I think some comment should be made. The minister said today he was talking about many well known Canadian regiments. Let me remind the minister that those regiments were Canadian in Canada before he was ever thought of as a Canadian.

**An hon. Member:** Louder.

**Mr. Ferguson:** The Liberal crows from Toronto are not men enough to get up on their feet and defend the great and famous Queen's Own Rifles of Toronto. My great-grandfather fought in that regiment for twenty years, or rather served in that regiment for twenty years. I had the great honour and privilege of serving with the black devils of Winnipeg.

**An hon. Member:** Bragging.

**Mr. Ferguson:** That is not bragging. Let us have the facts truthfully about it and they will learn something if they try it. I resent the fact—not only with respect to my regiment but with respect to the Queen's Own in which my great-grandfather served—that we bring up a new regiment or a new name, try to put tradition behind that regiment and call it the first regiment of Canada.

**Mr. Claxton:** The hon. member is helping a lot.

**Mr. Ferguson:** They threw the torch for you to carry, you Canadians. The men who died in Flanders fields threw the torch to you. When we have a Minister of National Defence who throws that torch in the gutter—

**Some hon. Members:** Oh, oh.

**Mr. Ferguson:** Do not "oh, oh" me. You will not stop me from telling the truth.

**An hon. Member:** This is all nonsense.

**Mr. Ferguson:** Oh, do not be so ridiculous.

**The Chairman:** Order.

**Mr. Ferguson:** They handed on the torch for it to be carried by the veterans in the first war and the veterans in the second war. Let me say this to you men in the house tonight who served as soldiers in the first and the second war. You are letting the torch down as long as you let a man like the one we have today, as the head of our Department of National Defence, lower the name of the men who died and the regiments for which they fought, and put them down at the very bottom of the list as far as the standing of Canadian regiments goes. It is something that is on their conscience, as it should be. You men belong to a different party from that to which I belong, and sit on the opposite side of the house. I am not talking for a political purpose. I am talking about a disgrace that has been brought on the name of famous regiments in this country who protected this country so that we tonight can sit in parliament.

**An hon. Member:** Woof!

**Mr. Ferguson:** It is time you learned something about the traditions of Canada rather than talk about things you do not appreciate. You know nothing about Canada's traditions or how the soldiers died and bled on the battlefield.

**Mr. Dickey:** I know more about it than you do.

**Mr. Ferguson:** Then why do you not voice your truthful opinion instead of being a rubber stamp for the government?

**Mr. Dickey:** Why do you not?

**Mr. Ferguson:** You never heard a shot fired in your life. You never fought and never were wounded. That is your record. Yet you have had more to say than any man in the Liberal party. We expected more than that from you. I am fighting for these men who gave their lives in defence of this country and so made it possible for you to sit in parliament and drag their famous names down to the lowest standing among the Canadian regiments. We have a Minister of National Defence who forms a guards regiment out of a hodgepodge of other regiments which nobody knows very well and he puts down at the bottom of the list the

famous rifle regiments of Canada, the Queen's Own of Toronto and the little black devils of Winnipeg, famous regiments of this country who fought a hundred years ago in defence of this country, from famous regiments of the old country, the Black Watch—

**An hon. Member:** Oh, oh.

**Mr. Ferguson:** You do not like it, you men of the Liberal party. Shame on you. You have not the gumption to stand up and even defend the dead soldiers. You sit here and you let the Minister of National Defence take all their traditions from you. You are afraid to stand up and be men, every one of you.

**Some hon. Members:** Oh, oh.

**Mr. Ferguson:** There comes a time in every man's life when he has got enough and says, "So far I will go and no further". But here we find a man who takes the "Rule, Britannia" out of the navy, the crown off the royal flying corps badges and forms a new regiment, calls it the guards and tries to justify his stand by saying, "We have put in one common cauldron some Canadian regiments". But he has by-passed regiments that are now in the permanent forces of Canada and has put the famous rifle regiments at the bottom of the list of Canadian regiments. The Minister of National Defence, supported by you Liberals, you Canadians, has done it.

**Some hon. Members:** Oh, oh.

**Mr. Ferguson:** All right. It will never be said that Julian Ferguson would ever be so subservient to any party that he would sink into that kind of mire, thank God.

**Mr. Kirk (Antigonish-Guysborough):** I object strongly to the attack by the hon. member for Simcoe North on the senior member for Halifax whose father is now lying in Flanders fields and has lain there since world war I.

**Mr. Ferguson:** The father handed on a torch which he should now be carrying. I am not standing on my father's glory. I am standing on the glory of the men who died, including his father for whom I have every regard.

**The Chairman:** Order.

**Mr. Ferguson:** Not only his father. Don't you try to defend him, Mister.

**The Chairman:** Shall we pass on to the reserve force?

**Mr. Pearkes:** Before we deal with the question of the reserve force I should like to say that the units of the reserve forces have contributed to the various units of the active forces. There has been a good deal of difficulty in raising the units for the new active forces, and in order not to emphasize too much the decision which had to be made as to the order of seniority of the various units of the forces I think a fair effort was made by the personnel of the defence department to try to give credit to the many units which have a long record in the Canadian army. Rather than single out two or three units in order to perpetuate them in the active force, the decision was made to create this new regiment of guards. I do not quite know how a different decision could have been reached had the desire been to give credit to the great many units of the reserve army. I am not going to say any more about that matter. Coming to the question of the reserve army—



**Mr. Macdonnell:** May I interrupt the hon. member for a moment? I have one question respecting the active army. May I ask it now, or will it be understood that I can ask it later?

**Mr. Pearkes:** All right.

**Mr. Macdonnell:** What forces of the Canadian army are stationed in the Yukon? What is their role, what is their equipment and what is the estimated cost of maintaining them for a year?

**Mr. Claxton:** There are two sets of activities centred in the Yukon. The first is the part played mostly by the Royal Canadian Engineers in the maintenance and operation of the northwest highway system. The second is the operation of the Northwest Territories and Yukon telegraph system. The first has been carried on since the highway was handed over to the Royal Canadian Engineers in 1946, I believe. While we do not keep the accounts segregated that way any longer, my recollection is that the cost of maintenance and operation of the highway system is about $6 million a year. That would cover about 1,200 miles and it covers a good deal of replacement of capital installations such as bridges, culverts and the like on a more permanent basis. We are doing a steady program of replacement.

The Northwest Territories and Yukon telegraph system supplies all the telecommunication services, civilian and military, in the Northwest Territories and the Yukon. Speaking again from memory, I believe there are twenty-one stations in the Yukon and the Northwest Territories. They carry all the military traffic, all the government service and most of the commercial. My recollection would be that the amount of revenue they take from handling commercial traffic varies but averages approximately $500,000 a year.

They handle a good many hundred thousand messages for the armed forces, weather stations and other government services, so that these are two very considerable operations, one by the engineers and the other by the signals.

**Mr. Macdonnell:** Would I be correct in summarizing what the minister has said in this way, that the units there are purely technical, engineers and signals, and that their duties are to maintain roads and communications? That tells the whole story of the troops located there, does it?

**Mr. Claxton:** Yes, if the hon. member is talking about the army only. There are of course some elements of Canadian Rangers and some reserve force elements, but I am talking about the active force army.

**Mr. Macdonnell:** I think the figure the minister gave for the road was for the upkeep on the road. Is that intended to cover also the cost of these units or can he segregate the cost of these units? That is the figure I seek, not the maintenance of the road but the expense of the units themselves.

**Mr. Claxton:** Pay and allowances for the Northwest Territories and Yukon road system for 1953-54 amounted to $572,000, and for 1954-55 they are $581,000. A total of seven officers and 178 men are engaged in this operation. With respect to the northwest telegraph system the cash estimate was less than I said because it does not include some capital expenditures. This is just pay and allowances. For 1953-54 the pay and allowances were $1,215,000, and for 1954-55, $1,550,000. There is a total of 60 officers, 400 men and 322 civilians.

**Mr. Macdonnell:** Would the minister give us the rank of the commanding officer?

**Mr. Claxton:** Brigadier.

**Mr. Macdonnell:** What is the relationship of this to the Department of Public Works? There was a report that the Department of Public Works had taken over the highway and there seemed to be some misunderstanding about it.

**Mr. Claxton:** The Department of National Defence and the Department of Public Works are considering whether or not it would be a good thing for the Department of Public Works to take over this operation. We have had it in defence for the last eight years. It has now become stabilized, and more and more it is becoming essentially a civilian operation. We feel that it might be more economical and practical for it to be taken over by the Department of Public Works. Discussions are going on towards that end. No details have been arrived at, but I think it is moving along in the direction of the Department of Public Works taking it over.

**Mr. Montgomery:** A few minutes ago I understood the minister to say that the third battalion of the guards regiment was formed by five reserve units. Would he give us the names of those reserve units?

**Mr. Claxton:** It was formed from the 1st Canadian infantry battalion, which formed part of the 27th infantry brigade in Germany, and it in turn was formed out of five companies formed from five reserve units. I do not recall them. I can get them for the hon. member very easily.

**Mr. Montgomery:** If the minister will do that, it will be all right.

**Mr. Dinsdale:** During a parliamentary visit to the service college at Kingston I noticed that some research was taking place there. I am interested in knowing if that research is paid for out of the general appropriations for defence research, as indicated on page 36 of the white paper, and which involves the sum of $50,400,000. I should like to know also if the research is pure research or is connected with some specific problem?

**Mr. Claxton:** The Royal Military College is, I think it is fair to say as a generalization, on the same footing as a university. The personnel of the staff is comparable with that in most universities. In order to have a good staff you must have research done, and they must have facilities for doing research. A lot of the staff are highly qualified scientists and they would not stay at the university unless they did research. It is, therefore, very much in the interests of the college that they should do research. Part of this research is done on college time and paid for out of the vote. In addition, some of them, in the same way as the average professor at other universities, may receive grants from the defence research board, for work during the summer months.

**Mr. Dinsdale:** I take from the minister's remarks that grants to the service college in this respect would be on the same basis and in the same proportions as grants to the members of the staff of any university doing work for defence research?

**Mr. Claxton:** The same considerations would apply.

**Mr. Harkness:** I think there is a matter I should like to mention upon which the minister and I can agree more readily than the other matters I have mentioned. I refer to some complaints I have in regard to mail. I understand that so far as mail to Korea is concerned, there have been no complaints. Practically everyone has been well satisfied

with it in recent months. There was some delay, but in recent months I believe the situation has been improved.

There have been, however, some complaints in connection with mail to Europe. I understand that the Canadian army postal corps looks after the mail for both the army and the air force in Europe. I understand they do an extremely good job of it and there is no complaint from that point of view. I understand, however, that the mail sometimes comes later than some people feel is necessary because of the fact that all the mail going to Europe has to go via T.C.A. even though there are R.C.A.F. planes going over. Although it would provide better service the mail cannot go via R.C.A.F. because it would mean competition with T.C.A. When the minister replies, I should like him to comment on that. I ask him if that is indeed the case, and if it is the case, I would ask him if he could not get that corrected so the service would be improved.

Another complaint I have received concerns the price of mail. The complaint in this regard is that Canadian rates are much higher than those of the British or United States servicemen alongside of whom the Canadians are serving. The British get ordinary letters for twopence-halfpenny and send air mail letters for sixpence for the first half ounce. The United States servicemen get their mail at the regular civilian rate of 6 cents. The Canadian rates are 5 cents for ordinary letters, which is twice the British rate, and 15 cents for a half ounce air mail. This rate is equivalent to one shilling threepence or three times the British rate. This is not a very important matter, I realize, but it is these little things, I have found in my personal experience, that cause a lot of trouble. These things such as the type of food, the way it is being prepared or served, some of these complaints over mail, are the things that cause a lot of trouble completely out of proportion to their own intrinsic importance. If one looks after a lot of the little things, very frequently you will have a unit in which there is no trouble and where the spirit and morale is very much better than it would be if you let a few of these little things go along with a lot of people labouring under a sense of injustice.

In addition to that, there is another complaint. I am informed that so far as the mail in Canada is concerned people on a station have to get their mail through the station post office. They cannot have a box there or anything along that line. The mail is put in a rack and they have to go and pick it up. They are not allowed to have the mail delivered to the general delivery in the place where they happen to be or to have a box there. This is another matter that is not very important, but as I say it is the small complaints that cause difficulty. They are matters which I believe the minister should investigate. I have received representations on the actual conditions that exist, and he may perhaps get them corrected.

**Mr. Claxton:** I agree with the hon. member about the importance of mail. This is something we have been trying to look after very carefully. I must say that I have had very few complaints, generally speaking. The mail seems to have been very well delivered. I have had no complaints at all about delivery to Europe.

**Mr. Harkness:** I said my reports on the Canadian postal corps were excellent. Everybody agreed they did a good job.

**Mr. Claxton:** I shall be glad to look into it. If the R.C.A.F. do not carry mail to Europe it may be because their airlift is fully occupied by their own loads. We have hired a good deal of T.C.A. airlift service to Europe to service the R.C.A.F. abroad. There may be something also in connection with licences to carry mail or something of that kind.

Now, with regard to rates, I am very surprised at the complaint. I have never heard the suggestion before that rates were other than reasonable. Ordinary letter rate is 4 cents to the orient.

**Mr. Harkness:** I was talking about Europe.

**Mr. Claxton:** The air mail rate to the Orient is 7 cents for the first ounce. The air mail rate to Europe is 15 cents each half ounce.

**Mr. Harkness:** That is what I said.

**Mr. Claxton:** The forces letter rate is 5 cents, which would seem to be a very reasonable rate, in view of the distance to Europe.

**Mr. Harkness:** The point is, as I understand it, that the people in Europe have to pay the regular rate. They do not get a forces letter rate, as the British do.

**Mr. Claxton:** They get a forces letter form for 5 cents, and it carries a lot. This rate is much less than the United States, as I understand it.

Reserve force (including Canadian Officers Training Corps).

**Mr. Pearkes:** I was going to speak on the reserve forces.

**Mr. Claxton:** If we have reached that point I believe I should make a statement. In my opening speech on May 20, and again in reply on May 21, I said that I would make a statement on the reserve forces at this time when

we came to this item. It would seem to be the most appropriate time to do so.

The reserve army, or the non-permanent active militia, as it was called, played the major role in the build-up of the Canadian army during the great war 1914-18 and the second world war, and contributed greatly to the fine record of Canada in both these wars.

Since the end of the second world war, and particularly during the last five years, there have been a number of developments which must be taken into account in considering the organization of the reserve army so as to be best prepared at any given time to meet an emergency if and when it should occur.

These developments include the war in Korea; commitment of an infantry brigade to the NATO forces in western Europe; rotation requirements; increasing emphasis on continental defence; a tenfold increase in the size of the regular army since 1939 and an even more considerable increase in its fighting effectiveness.

It has come to be generally accepted that if there were a third world war it would fall into two or more fairly well-defined stages, and the requirements of the Canadian army in the first stage could only be met by full-time or regular forces.

The role of the reserve force of the army today is, therefore, to provide a partially trained and equipped force as the nucleus of units to be mobilized and brought up to strength in the case of an emergency. The effectiveness of the reserve force depends upon a strong hard corps of volunteers, and it also depends on the active support of Canadian people throughout the country.

In May of last year the chief of the general staff, on the recommendation of the conference of defence associations and with the concurrence of the Minister of National Defence, established a committee of distinguished soldiers for the purpose of examining, reporting and recommending on the organization, training and administration of the Canadian army reserve force with a view to improving its effectiveness.

This committee was headed by Major General Howard Kennedy, C.B.E., M.C., and had, as additional members, Major General E. J. Renaud, C.B., C.B.E., C.D., and Major General H. F. G. Letson, C.B., C.B.E., M.C., E.D. The wide experience in civil and military affairs of the members of this committee and in particular the close association of Major Generals Kennedy and Letson with the reserve force over a period of many years, made them particularly suited to study and advise on problems of the reserve force.

Before beginning their survey, this committee was thoroughly briefed concerning peace and wartime plans for the Canadian forces. In the course of its examination and study the committee visited reserve force units from coast to coast, both at their local headquarters and during annual camp. Discussions were held with senior reserve force officers of all corps. The recommendations of the committee, therefore, were based on long experience and on close and comprehensive study on the ground of conditions and problems.

The report of the committee was submitted to the chief of the general staff in January last. It has been examined by army headquarters and discussed in detail with the conference of defence associations, as well as the general officers commanding the five army commands.

It should be observed that no particular reference is made to the various types of training—at summer or other camps, corps schools, week-end training at areas near unit headquarters, et cetera—because great latitude is already allowed each command, area and unit, so as to enable each unit best to meet local conditions.

As a result of the report and the detailed study and consideration which followed, it has now been decided to take the following steps:

1. There will be an extensive reorganization of militia units to relate them more closely to possible wartime requirements, effective peacetime training and local support. This reorganization includes:

(a) Present brigade and other formation headquarters will be replaced by a new type to be known as militia group headquarters;

(b) as the anti-tank defence role has been transferred from the artillery to the armoured corps, a number of artillery units will be converted;

(c) excess anti-aircraft will be converted to other types of artillery or amalgamated with units of other corps;

(d) as coast defence has become the primary responsibility of the navy and air force, the coast defence units will become harbour defence batteries;

(e) as the type of training in field park squadrons is not suited to the reserve force, field park squadrons of the reserve force will be converted to or included in field squadrons;

(f) two of the signal regiments are to be amalgamated to form one signal regiment;

(g) the Royal Canadian Army Service Corps, the Royal Canadian Army Medical Corps, and the Royal Canadian Ordnance Corps will be reorganized to reflect as closely as possible the potential support in their localities;

(h) there will be a number of changes in infantry formations.

2. The Canadian army (reserve force) is to be renamed the Canadian army (militia).

3. The Canadian army (active) will be known as the Canadian army (regular).

4. There will be an adviser to the chief of the general staff in militia matters. The officer to be

selected will be a senior officer with extensive service in the reserve. The first officer appointed is Major-General H. F. G. Letson, C.B., C.B.E., M.C., E.D.

5. A new directorate combining militia and cadets will be set up at army headquarters.

6. Accommodation and training facilities for the militia are being reviewed and new construction and additional facilities will be progressively provided as funds permit.

7. Steps are being taken to explain, emphasize and enforce the obligations which a man undertakes on joining a unit of the militia.

8. Minimum attendance, equivalent to 15 days' training, will be necessary before a member of the militia is entitled to receive pay.

9. The foregoing provision must be taken with a new bonus to be paid to each individual attending annual camp, provided he has attended not less than 75 per cent of local unit training in the six months preceding summer camp.

10. Training standards will be amended to enable a militia soldier to obtain his qualification in stages and to receive credit for any stage reached.

11. Field summer uniforms are to be issued for wear at camp and local headquarters training in warm weather.

12. Qualification badges in various military trades and specialties will be worn on uniforms as well as chevrons to denote length of service in the militia.

13. Full-time assistance is to be provided on an increased scale to aid militia units in their administration.

14. Unit allowances are to be simplified and consolidated to reduce the work involved in bookkeeping.

15. Grants for bands will be increased and provision of suitable instruments will be accelerated under a replacement program.

16. An allowance will be made for a dress uniform for bands.

17. In order to provide assistance in arranging local publicity for militia units, each HQ and major unit will be able to have an additional militia officer specifically for public relations duties.

18. There will be a substantial increase in grants to army cadet units and additional clothing will be provided for them.

19. Officers, serving in various honorary appointments, many of whom have done much to promote interest in the service, will be eligible for the Canadian forces decoration.

20. Income tax will now be deducted at source for all members of the militia unless a member claims that his total net taxable income is below the minimum taxable and requests that no deductions be made.

The action outlined here has been considered with the committee and is in accordance with its views.

In dealing with this matter, I should like to emphasize that the steps being taken with respect to the army reserve force are in effect the views of the reserve force itself, as ascertained and weighed by the committee under Major General Kennedy.

I should add that while the committee under Major General Kennedy made recommendations with regard to specific units, of necessity the list of specific units that were to be affected was not put before the conference and therefore was not specifically approved by it, though the conference did approve, in principle, the general steps I have outlined.

Not only is this the case but the changes recommended have all been discussed with the conference of defence associations, representing the twelve different corps associations. This body, which represents every single unit in the reserve forces, has unanimously approved the committee's recommendations to which I have referred, thus indicating that these recommendations have the active support of all its member corps.

The changes proposed are planned to tap the resources of interested and available personnel so as to provide the best basis for the build-up of forces that may be required in the second or later stages of another world war. The over-all number of units will be substantially reduced. It is expected that at the outset these changes may result in some reductions in the total number of officers and men on strength. But it is expected that they will result in more effective use of personnel.

It is hoped to work all these changes out so that there will be as few as possible actual disbandments and no loss of existing support or local interest. Further consideration is being expedited in the hope that all necessary changes will be satisfactorily completed at an early date. The reserve force associations have promised their strong support in carrying all this into effect.

In conclusion, I should like to appeal to the House of Commons sitting in committee and to the public generally to support the steps to which I have referred. They are designed to meet anticipated changes in the needs and requirements of the service and to produce increased efficiency and effectiveness of the reserve force of the army, henceforth to be known as the Canadian Army (militia). The support of the reserve force associations will, I am sure, ensure success in carrying out the new policies and changes which I have announced but the degree of that success will rest primarily on the popular support accorded it throughout the country. If this support is not continuously given many of these improvements and changes will be largely vitiated. The role, importance, and potentialities of the reserve force must be understood and acted upon.

The militia units will in no small degree be community units. Community organizations can do much toward educating our youth in the value of our free institutions. They can point out that it is the duty of each individual Canadian to do what he can

to safeguard these institutions by service in the regular or reserve forces. Employers and trade unions can assist by encouraging young men and women to join the militia and by making it possible for them to acquire the necessary training and particularly practical training at summer camps.

The citizen who plays his part in Canada's militia is serving the interests of his country at the expense of his own free time. He must be made to feel that the public appreciates the effort he is making in peacetime just as much as the appreciation shown to those who participate in active service. All our citizens can thus contribute to creating the realization in our youth that service in the militia is an honourable duty which all should discharge in order that as many Canadians as possible may be made ready to defend their country.

**Mr. Pearkes:** Mr. Chairman, of course you will realize it would be extremely difficult to comment adequately upon this important document which we have received only just this minute. In fact very few hon. members have even received a copy, and have to depend upon what they heard the minister say. I cannot help expressing regret that earlier publicity has not been given to the findings of this committee. As long ago as January of this year I asked the minister whether he intended to table the Kennedy report. He said he was not prepared to do that as it was a report prepared at the request of the chief on the general staff but that he would—and these were his words—report to the house very shortly. Well, a good many months have gone by since then, and there has been much uncertainty amongst the units of the Canadian Army (militia), as it is now to be called, because of this long delay.

We are told that the recommendations of the report, which the minister is prepared to accept, have been concurred in by the various defence associations. Of course no reference was made to the recommendations of the report which the minister is not prepared to accept, and that must unfortunately remain a closed book because we are not privileged to see the report. I hope they are not extensive because, as the minister has said, the success of the reserve army, of the militia unit, depends entirely upon the public support that they receive. We all believe that a reserve force is necessary.

General Gruenther has emphasized the importance of the reserves. Well, we cannot have an adequate and an efficient reserve force unless not only members of parliament but the whole public get behind those units. I feel sure that members of the house from every party and group will give support to the units of the reserve force.

If there is any comment at the present moment as to the recommendations of this report, I think it is likely to be upon the fact that we really do not know what the Kennedy report says and what their main recommendations or what the other recommendations are that the minister is not prepared to accept.

In those items which were mentioned I note with particular satisfaction that there is to be an adviser to the chief of the general staff on militia matters. The emphasis on our forces has veered in recent years from the reserve forces to the active forces. Remember that in the days before world war II there was a very small active force and the energies of the Department of National Defence and the staffs across the country were mainly directed to increasing the efficiency of the reserve units. After the second world war that emphasis was changed, and there has to a certain extent been a neglect of the reserve units. By appointing a particular adviser to the chief of the general staff and a man of the experience, both with the reserve and in special duties, of Major General Letson, we may rest assured that the requirements of the reserve forces in the future will be vigorously presented to the chief of the general staff.

As far as I can gather from recommendation No. 9, it would seem that there will be a bonus paid now to men who have completed a certain percentage of their training in camp. That is dependent upon their having carried out a certain number of days' training prior to moving into camp. I think that the change of name and change of status of the brigade commands is a step in the right direction, because quite obviously those brigade commands could not assume the ordinary duties of a brigade headquarters on mobilization. They were not called upon to do so during the mobilization of 1939. Specially selected officers from the country as a whole were chosen for brigade commands and brigade staffs.

I know of no one single recommendation which will meet with greater approval amongst the personnel of the reserve forces than will the last one with reference to income tax. Members on this side of the house have repeatedly asked that some relief should be given to the officers and men who have contributed so much of their time. I am pleased that when an actual canvass was made by these three retired generals they sensed the wish of the reserve unit and they

have been able to have the government accept a recommendation which will relieve the officers and men from income tax payments in part on their reserve army pay.

I do not intend to comment further on this report at the present time. I am pleased that it has been referred to the defence associations. In fact, it is quite obvious that the defence associations a year ago really initiated the idea that such an investigation should be carried out. The fact that the various corps associations approved the recommendations of the investigating committee, which have been accepted by the government, indicate that they are prepared to accept those recommendations and to stand behind the plans of the department to try and make the reserve forces more efficient.

I think it is of the utmost importance that the names of the units which are to change their corps or be disbanded or in any way affected be published at the earliest possible moment. I had hoped the minister would have been able to attach as an appendix to this report a list of those changes. There is merely the announcement that there are going to be many changes and that will continue the uncertainty. Until the changes are published it will be very hard for the commanding officers of the various units to proceed with the training programs.

The one point which strikes me as perhaps not being as sound as I would like to have seen it is the fact that a reduction is being made in the number of anti-aircraft artillery. I should have thought that the reserve army would have been called upon to play a major role in the defence of this country and provide anti-aircraft defence for the localities in which they are stationed. We have heard a good deal about the need for increased emphasis being placed upon civil defence, and the dangers to which this country might be subjected in the event of a third world war. It would seem to me that anti-aircraft artillery units should work in close co-operation with the civil defence organizations of the land, and therefore I am surprised to hear the minister state—and I think I heard correctly—that there was to be a considerable reduction in the number of anti-aircraft units in the reserve army.

**Mr. Harkness:** Mr. Chairman, since the minister has just made this statement tonight I have had no opportunity of studying it and I propose to make only one or two brief comments on it, particularly in view of the fact that the hon. member for Esquimalt-Saanich, despite the extremely short notice, has covered the report very well. Following the remarks of the Leader of the Opposition this morning, however, the minister stated in connection with the Kennedy report that there was no reason why the officials of the government should disclose the reasons for any action the government might take. I presume he had in mind the fact that he was going to give us this report tonight and his remarks struck me as rather peculiar because I have always understood that one of the duties of the opposition was to ask questions in regard to the reasons why the government took any particular action, and that one of their functions was to secure and probe into these reasons. I think the statement the minister made to the effect that there was no reason why the government should disclose reasons for any action they may take is directly contrary to our ordinary democratic procedures and the way in which we carry on government in this country.

I am extremely glad we have had this report. From what I could gather as the minister read his statement there are going to be quite a lot of changes which will help improve the reserve forces, which is an aim for which I think we are all striving. However, I am sorry we have not got the Kennedy report itself so that as a result we could form our own conclusions on the evidence presented by units all across Canada and gathered by the three generals who conducted the investigation. In other words, I think we in this house are entitled to have the reasons why the decision which has just been announced was arrived at and to know the basis on which it was arrived at. However, I am glad we at least have the statement made by the minister. One thing I noted in particular was that a definite decision has been taken to transfer the anti-tank corps at divisional level to the armoured corps, and that a number of anti-tank units will be transferred from artillery to the armoured corps. I am sure the artillery will very much regret losing those units but it will be to gain the advantage of armour and certainly I think it is a proper move to make. I think the self-propelled anti-tank guns in use today can be of better use in the armoured corps than in the artillery, and I think a move in this direction should have been made long before this. As I pointed out earlier, for the past two or three years we have not had any anti-tank units or components in our army at all, and I am extremely glad that we are now going to have these units as part of the armoured corps.

**The Chairman:** Does that conclude the discussion on reserve army?

**Some hon. Members:** Ten o'clock.

**Mr. Montgomery:** Mr. Chairman, I wanted to say a few words on the reserve army. I refrained this morning from saying anything about the reserve army although I am interested in it. We have a battalion in my area which gained fame during the last war and during the previous one, and I might say to the minister that there has been a great deal of dissatisfaction during the last few months and a lot of rumours due no doubt to the fact that this Kennedy committee has been going around and the officers and men do not know what is going to happen to them. As my colleague said a few minutes ago, I think it is important that the list of these battalions or regiments that are going to be maintained be posted soon. A great many of these units right now do not know what is going to happen. The officers are having a difficult time to get men out. The men are wondering whether the unit is going to be disbanded.

You would be surprised to know, Mr. Chairman, how much information about this report is around the country. How much of it is authentic is what we do not know. I think it is most unfortunate that the government do not see fit to inform members of parliament of the true facts about a report like this. We are the people who are approached when we go back to our constituencies. When we go to our homes these people want to know what is going on in Ottawa. They almost think we are not around in the house and that we do not even ask the department what is going on. When we tell them that the department will not disclose these facts, they are amazed. I want to bring out that point.

I think we are entitled to this information and that we should receive it at an early date. If you expect us and the public to give you the support which you need to have a successful reserve military force, you must pass out the information. That is the first lesson that we all learned in the army. You cannot carry out any successful exercise unless everybody is in the picture. You just cannot take out a few staff officers and a lot of brass and carry out a successful exercise. Anybody who is in the army will agree with me on that point. Everybody must be in the picture.

I believe we should have good reserve forces. I believe that they really will be the first line of defence in case of trouble. The active forces you have are all tied up and they will continue to be tied up, and they will be the last troops to get to the vital places where defence is necessary. Defence is therefore going to fall back on what you are now going to call the reserve or the militia group. You therefore need the support of the public, and you will not get that support unless you put the public in the picture. If you do not put the members of parliament in the picture, you will not get the public in the picture. I therefore think it is important that we be told all the facts and that we be told them at an early date so that we can talk intelligently, so that we can help you, so that you can help the public, and so that we can get together and in cooperation have a good reserve unit.

I know that for a number of years before the last war it was not easy to get a reserve unit up to strength or up to standard. I was one of those who had the experience of spending not only a little bit of money and time but quite a bit of it. I may say that I never regretted it because we had a battalion which, when the war broke out, was one of the best in our brigade. It was selected, thank goodness, because of the fact that it had won the brigade prize for a number of years. That was not done by sitting back and not putting the public in the picture. You cannot expect to have a good reserve unit unless you have the businessmen, the ordinary farmers in the community and all the people behind that unit. In order to do that, you must give some support to the officers and to the members of parliament, the members of the legislature and the businessmen in that community.

I may sound a little bit drastic in this matter but really and truly I have sat back since the war and noticed the reserve unit going down and down. It has been going down because it has not been getting the support of the public; and it has not been getting the support of the public because nobody has ever come down to our area and invited to a meeting the ordinary citizens and the ordinary farmers from which we have to draw our recruits, the people in that community. Nobody has ever asked them to a meeting to explain what the reserve army is for or what role the reserve army is expected to carry out in case of an emergency. Unless you are prepared to do that, you will not get a good reserve unit. I plead with the minister.

Under this reorganization I hope that unit in my area will be one of the units that will be retained. I do not know whether it will be retained or not. It could be possible that it will not be retained. I suppose that better units will be selected. Maybe that matter has all been decided. But if it is retained you could have a good unit, if you give us some support. If you put us into the picture you will get my support and you will get the support of many other reserve officers

who are there. At the moment they will not do one thing because they do not know —and this is a fact—what role the reserve army should be playing. I claim that is the fault of the army. It is not the civilians' fault. I can be backed up in that statement by many other officers with good service in the last war and in the first war and who did good service in the reserve units between the wars.

I impress this point upon the minister. You have got to pass on all the information that you possibly can. If you do that you will get the support of the people who will make a good service unit. Pay is not going to bring them in. Pleasure is not going to bring them in. Security is not going to bring them in, except the type of security that you have got to impress upon those young men. You must impress upon them that they need this training to protect their wives and families in case of emergency. That is the type of training that will bring them in. You have got to give them enthusiasm, not for the few dollars they will earn but because they really believe in a cause, because they believe there may be another war, and that if there were another war their service would be needed. I believe it is needed. I believe that is the type of training these young men need.

Royal Canadian Air Force—regular and general.

**Mr. Dinsdale:** Mr. Chairman—

**Mr. Hansell:** Mr. Chairman, will you call it ten o'clock?

**Mr. Dinsdale:** Are we carrying on, Mr. Chairman?

**The Chairman:** Shall the hon. member have leave to continue?

**Some hon. Members:** Agreed.

**Mr. Winch:** Ten o'clock.

**Mr. Macdonnell:** Ten o'clock.

**The Chairman:** Has the hon. member unanimous consent to proceed?

**Some hon. Members:** Agreed.

**Mr. Dinsdale:** Mr. Chairman, on the item before the committee I have just a few brief questions. Perhaps I can present them all together and the minister can deal with them in the same form. My first question concerns the problem of recruiting for the R.C.A.F. in particular but it relates also, of course, to the general problem of recruiting in the other branches of the services. A few weeks ago—to be specific, on May 17—I received from the Department of National Defence a reply to a question on this aspect.

[Mr. Montgomery.]

Unfortunately I did not make myself too clear at the time. Perhaps I can have this evening an enlargement upon that reply.

I asked the minister this question: In the case of veterans of world war II re-enlisting in the Canadian armed forces is any reference made to world war II records for screening purposes? In reply to that question I received the answer "Yes". I should like to go a little bit further and to ask the minister whether, in the case of these veterans of world war II re-enlisting—whether it be in the air force or in the army —any reference is made to the records of the Department of Veterans Affairs. If that is so it would avoid a situation that crops up periodically in our defence forces where an undesirable recruit seems to slip through the screening net, with considerable embarrassment to the department as well as to himself. I would appreciate it if the minister could reply to the extended question I have presented to him this evening.

I have also been interested in the wash-out rate among aircrew in particular. It has been suggested from time to time that because of the difficulty of obtaining a desirable type of recruit for aircrew training the wash-out rate is unnecessarily high among our R.C.A.F. recruits. Is it possible to give any information on this score and any statistics which will present a comparison of our wash-out rate with that of trainees from the other NATO countries participating in our air training scheme?

Recently the Department of National Defence has extended its excellent program for training university students in the various branches of the services. I note that on page 27 of the white paper, I believe it is, the total figure is given of the number of students taking part under the R.O.T.P. scheme. The figure for the R.C.A.F. is 1,984. I believe this scheme was further extended recently making it possible for university students to have a short experience in the armed forces during the summer recess with the hope of encouraging such students to participate in the more extensive R.O.T.P. scheme. Does the figure of 1,984 for the air force include this special group or does the total figure of officer cadets for all the armed forces that is given in the white paper, 6,955, include this particular group?

I also note that the expenditure for film displays and other material of that kind is up from $935,000 to $1,509,000 for the current year. This would suggest that the Department of National Defence is contemplating a more vigorous recruiting program than hitherto. It also suggests that perhaps the recruiting program has not been going

as well as anticipated with the result that the department considers there is a necessity of giving further publicity to this important aspect of our whole defence program.

**Mr. Claxton:** In answer to the hon. member's interesting questions, he asked first whether, in the case of veterans of world war II desiring to enlist, any reference is made to their records in world war II. I am informed that when they apply to join one of the forms they sign is a form dealing with their previous war experience. That form is referred for further inquiry to the Department of Veterans Affairs which keeps the records of veterans of the first and second world wars. My understanding is that the answer is yes, but I do not want to suggest for a moment that this is done sufficiently rapidly to screen out people who may have had bad records. An effort is made, but this is a very large-scale operation. We are dealing with another government department, and I am not sure whether or not that is done in time to turn down a man on the score that he has had a bad record if he does not disclose it himself. However, a check is made.

The hon. member also asked about the wash-out rate for aircrew. This rate is not given in any country. We have checked this, and I think hon. members will appreciate the reasons for not doing so. I am not in a position to give any comparison between the wash-out rate for R.C.A.F. and other trainees. This is a matter which is receiving continuous consideration by everyone concerned in our air force and the other air forces, and we are working together very closely on it. I must say personally that I am reaching the point where, having had some experience and having discussed the matter extensively with experts in this field in other countries, I am beginning to doubt whether increasing the level of selection produces a corresponding decrease in the rate of losses in training. You get to a point where, whatever the rate of refusal on selection is, statistically the rate of losses in training appears to be just about the same, so that you could select out too high a proportion without getting corresponding returns. However, that is an idea of mine. Other people are testing the matter scientifically.

The hon. member also asked whether in the figures given in the white paper for R.O.T.P. personnel we include any of this new group he mentioned. I was not able to hear precisely what he said. If they are officer candidates from the universities or the service colleges then they are included. If, however, they were previously officers and are taking refresher courses they are not included in that figure. The figure in the white paper is for officer candidates only.

The hon. member inquired about the expenditure in an item on page 317, I believe. I understand he was referring to the item for films, displays, broadcasting, advertising and other informational materials, $936,000 for this year and $936,700 for last year. It is very much the same figure. We feel it is desirable to maintain advertising at about the same level, but I can assure the hon. member and the house that this matter is being reviewed within the next two or three weeks to see if we cannot effect some further reduction in recruiting expenses. We have some experience in this regard. We did make a substantial reduction in March, April, May and June of 1950 and the rate of recruiting slipped very materially. We were about reaching our then targets or coming within sight of them. Then we had the Korean affair and it was necessary to build up the program again. Personally I am rather opposed to making too sharp a drop until we see whether or not we are maintaining our present levels in the services and increasing them slightly towards the targets.

Of course, hon. members should appreciate that as we attain our target, not that we will ever have any fixed target because we will be changing from year to year, but as we reach about the targets we will see that wasting will exactly equal intake and intake will equal wastage. We shall have an exact equilibrium. People will talk then about our high rates of wastage. Our aim will be to maintain our intake at precisely the level necessary to meet wastage. As long as we do that, we will be meeting the target.

Naturally, we will always be striving to keep down wastage in order to keep the men of experience. Actually our wastage rates for the three services are I believe very favourable. Let me put it this way, our rates of re-engagement for the three services are very favourable. I have got the rates for other countries and for ours, and they are improving in our country or holding their own, while relative to the others with which we are familiar, they are very much better. This is a good position, but I should like to see it still better.

**Mr. Dinsdale:** I should like to ask one further question concerning the use of D.V.A. files. Can the minister indicate whether it has been the practice to refer to D.V.A. files since the beginning of recruiting in connection with the Korean campaign or recruiting since Korea or is it a new practice that has been added in recent times?

**Mr. Claxton:** This is relatively recent.

**Mr. Winch:** I have just one short question. I am not going to raise the matter which I understand is being discussed between the Department of Transport and the minister of defence, the matter of the skyways for the various planes, but I should like to draw the attention of the minister to the hundreds of millions of dollars Canada has invested in aeroplanes. Surely we do not want to see them damaged if it is at all possible to escape damage. We all know that accidents will happen, but why invite accidents?

The question I should like to ask the minister is: Is it not possible to issue and enforce orders that R.C.A.F. planes shall not deliberately buzz the major cities of the Dominion of Canada? I was home over the Easter week end for a few days, and not one but a number of aeroplanes zoomed and buzzed the major city of Vancouver. It was really frightening. The roar of the planes was such that you would have thought a plane was in trouble and coming down. All the windows rattled. People by the thousands dashed out of their homes to see what was happening. I did myself. Here were a number of planes, five or seven, zooming back and forth over the city of Vancouver. If there had been a slight defect in the plane, the pilot and crew were absolutely doomed, as was the property and lives of the people of Vancouver. Why is it allowed to continue? Can it not be stopped?

**Mr. Claxton:** Both the Royal Canadian naval air arm and the Royal Canadian Air Force have to fly by the rules regarding civil aviation. They are just as much subject to those rules as commercial aircraft, and that applies to low flying or flying on certain levels, flying by instruments and everything else. They are completely subject to the same rules. I can assure you that in the case of the two service air forces, these rules are strictly enforced. Whenever any infraction is found, severe disciplinary action is taken. When this happens a man may be dismissed from the service, and then very frequently I have representations made that he should be restored.

I know of the incident in Vancouver to which the hon. member referred. It was drawn to my attention before. This was an occasion when the naval air arm had been out doing some exercises at Patricia bay. On the way back from Patricia bay to the east they, as a way of celebrating the Queen's birthday, did a flypast over Vancouver. They understood that this had been advertised and cleared with the local people, the newspapers and so on. Apparently it was not, and it was a surprise. This was planned and organized as a patriotic demonstration, as is done on numerous occasions. We had a magnificent flypast over Ottawa on the occasion of the coronation when 140 aircraft went by. Some of them were below ordinary flying height, but very little danger is involved in that. However, it is disturbing and I am assured there was a misunderstanding about it, otherwise it would not have occurred.

With regard to other matters, we simply are not in a position to say to the R.C.A.F. that they must not fly in or out of the airfields that have been built for the R.C.A.F. at vast expense to the Canadian people, whether they be at Moose Jaw, Saskatoon or any of the other places. Each of these airfields probably represents an investment of $30 million. They have to be located near a city and they are operated as safely as possible. At some of these airfields the trainees rise and descend at the rate of more than one a minute, so that the air may at times be infested with Harvards. If the weather is clear, there is no reason why that should represent a hazard.

In the case of the Moose Jaw business I have nothing to add to the statement made by the Minister of Trade and Commerce who made the statement for the government in that connection. We are looking into it and we are hoping to arrive at some very sensible and reasonable provision which will make it less likely than the almost mathematical impossibility that a collision should occur. It is almost impossible to conceive that a collision should have occurred between those two aircraft in broad daylight; yet it did; that is being investigated.

**Mr. Shaw:** Earlier in the day the minister indicated his intention of placing on the record a statement regarding fire-fighting equipment and facilities.

**Mr. Claxton:** Yes, I did. The hon. member asked me about fire in R.C.A.F. hangars, and I promised to give him and other hon. members at various times, information about it. I thought it would be best if I dealt with all the questions at once. At the present time we have 187 hangars for storage or maintenance work. Of this total only 26 were constructed after the second world war. The new hangars are all of fire-resistant construction. The 161 older hangars cost a total of approximately $14 million when they were constructed. They were, of course, rushed up and were of temporary wooden construction. They have lasted much longer than planned, and many of them are still capable of being used, particularly in view of the fact to replace them all with modern fire-resistant types would cost approximately $177 million today. You get into a position

where the interest on the cost of replacement would be far bigger than the average amount of fire loss on this account, which has been about $700,000 a year.

Consequently, we have a replacement program with which we are proceeding, but on the basis of economy we would not be justified in tearing down these old hangars and replacing them even if we had the productive machinery and resources to do it at once.

**Mr. Shaw:** I should like to stress, of course, that I did not at any time suggest they should tear down the old hangars and replace them. Would the minister indicate the system of fire watching that is maintained? If he recalls, when I was speaking previously, I quoted an editorial from one of the Calgary daily papers in which it was indicated that to the best of their knowledge an adequate system of fire watching was not maintained. I believe they pointed out that with the amount of investment in government hangars they would be warranted in having one person on duty at all times. We realize fully that when a fire starts in a hangar, at least if it makes any headway at all, it is just about impossible to stop it. But it does seem to me that if someone is on the spot at all times that a fire might very easily be detected in its very early stages, and there would probably be some opportunity of stopping it. Just what is the policy with respect to that?

**Mr. Claxton:** At each air station they have a service fire-fighter squad which is highly trained and fully equipped. In this case it was on the scene of the fire within a minute of discovery. In addition, there are fire prevention services and patrols. They are arranged in accordance with the regulations laid down by headquarters of the three services and with the work of the fire marshals. If we had men constantly on duty at each of say six hangars it would mean 24 men a day, and would amount to a good deal of money.

**Mr. MacLean:** Mr. Chairman, I have had some complaints from officers who served in the air force during the second world war and then went into civilian life, some of them working for various government departments. They were then called back into the service at the time of the Korean crisis. They were given leave of absence by the departments for only four years. Now they are in the position of either leaving the air force and forfeiting their gratuities—that is, if the air force would let them go; and the air force is under no obligation to do so—or, having overstayed their four years' leave of absence from the department of government, they have lost their jobs in civil employment. What liaison is there between the Department of National Defence and other departments of government?

**Mr. Claxton:** This is the first time the question has been brought to my attention. I will look into it.

**Mr. MacLean:** Thank you very much. As a matter of fact I have taken it up with the department concerned. Now, I have a question regarding civil employees. I notice there is a very large increase in some classifications of employees. For example typists, cleaners and helpers. I suppose these are civilians who are employed to replace service personnel?

**Mr. Claxton:** Yes.

**Mr. MacLean:** In the case of cleaners and helpers, for instance, the number has increased from 39 to 482, as set out at page 315. Then, there are other large increases in some other trades, although those increases are not as great as the one I have indicated.

**Mr. Claxton:** This is largely a reclassification by the civil service commission of a number of messmen positions to those of cleaners and helpers.

**Mr. MacLean:** And I notice the same thing in connection with the corps of commissionaires. Is this just a reclassification?

**Mr. Claxton:** We are trying so far as possible to replace service personnel by members of the corps of commissionaires.

**Mr. MacLean:** I believe it is the intention of the air force to move the wing in North Luffenham to the continent, if that has not already been done. Is it the intention to retain North Luffenham as a Canadian air force station, or will that be returned to the R.A.F.?

**Mr. Claxton:** It will be returned. We do not propose to make the move until the station at Marville in France is built and ready for habitation. Then the move will be made. It was first planned that this move would have taken place in December, but that would not have been a very good time to make a move. As it happens the station is not likely to be ready. Married quarters will not be quite ready and the move will not be made until March or April.

**Mr. MacLean:** Then a further question. I notice that in the reserve air force there are a group of civilian employees for whom there was no item last year. What is the explanation of that? Is it considered now that it is beneficial to employ civilians in reserve squadrons? I am referring to what appears at page 318.

**Mr. Claxton:** These have been carried here as part of the active force increment with the reserve squadron.

**Mr. MacLean:** Would the minister be kind enough to make a very brief statement as to what progress is being made in two regards, first as to the equipping of squadrons stationed in Canada with CF-100's and the other as to the equipping of squadrons overseas with Orenda-powered Sabres.

**Mr. Claxton:** With regard first to the equipping of squadrons with CF-100's, I may say that is continuing. As I said before, I expect all the regular squadrons to be equipped with CF-100's will be organized and in existence, and at least partly equipped with CF-100's, by the end of this year.

The delivery of Orendas for the F-86 is going on apace. Aircraft are being flown across. They are being put on stations. We will be making aircraft available with the J-47 engine when they are released and available for mutual aid.

I think hon. members would be interested in a fact that I believe I can give safely now. I refer to the figures of aircraft we have disposed of to other countries. We transferred to Great Britain 370 Sabres with, of course, American engines and other government-found property representing about 30 per cent of the cost. We sold to the United States 60 Sabres for use in Korea, and 60 for transfer by them to Great Britain. We have now allocated to Greece and Turkey 82 each. If my mental arithmetic is right that represents a total of 594 Sabres that we have made available to other countries, in addition to those necessary to equip ourselves.

We have already produced, of this leading aircraft of this type, over 1,100. And when you speak about the Russians having 20,000 front-line aircraft, of which 50 per cent are jets, it must be kept in mind that we have produced 1,100 of this type alone.

**Mr. Fleming:** There is one matter, Mr. Chairman, I wish to mention. It has been the subject of correspondence between the two ministers and myself and relates to the construction by the Department of National Defence at the R.C.A.F. station on Avenue road in Toronto of a large three-storey building, which looks like a factory.

This property was sold by the city of Toronto to the crown in 1940 at the urgent request of the government. It is the old Eglinton Hunt Club property. The city conveyed the property at the request of the Department of National Defence to the crown in 1940, in view of a very urgent plea from the department to make the property available for use in connection with the activities of the Department of National Defence. It has been developed as an R.C.A.F. station; not, of course, an operational station, but known as No. 1 A.T.S.

Last year, without any intimation to the property owners in the neighbourhood, the Department of National Defence erected on what had been the parade ground on Avenue road this building to which I have referred. It is not yet completed. It is a high, three-storey, red brick building, which has all the appearance of a factory. This building is erected in a residential area. All the property in the area is zoned, and the zoning restrictions are quite severe, in the general interest.

But when the Department of National Defence apparently decided that it needed more accommodation it gave no thought whatever to the effect the erection of this ungainly building was going to have upon property in the neighbourhood.

I may say to the committee, Mr. Chairman, that the effect of the erection of that building on that site in a residential area has been to depreciate the value of other residential property in the immediate neighbourhood quite substantially. You can just picture, Mr. Chairman, how you would feel if, living in a residential area, there was built right across from you a tall three-storey building, that has the appearance of a factory. That is how these people whose property has been damaged by the erection of that building feel over what has been done there.

The department can quibble and say: we are not bound by residential restrictions. They can go further and say that when they obtained the property at a very low price, indeed much below the actual value of the property in 1940, from the city of Toronto, it was made possible for them just to go ahead and use the existing buildings for the purpose of an R.C.A.F. station. That is a very different matter, Mr. Chairman, from coming along now and erecting an entirely new building on these premises, one, as I have indicated, which has lowered the value of properties in the neighbourhood very severely.

I brought this matter to the attention of the Minister of National Defence last year when the construction was commenced, and the minister's letter indicated that he would look into it. Then some time later I received a letter from the Associate Minister of National Defence saying in effect that these restrictions did not apply to this property. That is not the spirit of the agreement by which the property was conveyed to the crown in 1940. It happened that at that time I was chairman of the property committee of the city when the crown's representatives came before that committee and asked the city to convey that property. There was

no suggestion then about erecting new buildings on the property. There was a temporary building put up there for the accommodation of personnel during the war. People did not object to that because it was a temporary building. There is nothing temporary about the building that has been erected now. It is a permanent three-storey brick dwelling, higher than any building in the neighbourhood and damaging all those affected.

Then the associate minister wound up his letter of December 17, 1953, by saying:

> While the Royal Canadian Air Force does not wish to interfere with the activities of the community which it serves, it is felt that as reasonable people the citizens of Toronto should be prepared to accept any disadvantages there might be to having this situation in operation as such disadvantages are more than offset by the advantages accruing to the municipality through R.C.A.F. activities.

Mr. Chairman, that is no answer to the complaint of persons whose properties are damaged. The city of Toronto will be second to no municipality or community in this country in the support and loyal assistance that it gives to any activities of the armed forces in this country. It will be second to none in doing its part but, Mr. Chairman, it is a very different matter that citizens of a whole municipality, in this case a million people or more, are prepared to do their part from saying that people in the neighbourhood must submit above all others in the city to the damaging of their properties, and the subtraction of substantial amounts of money from their investments. Some of those people in the neighbourhood affected have invested their life savings in their homes.

I wish to raise again the complaint that I made last year which produced no effect as far as the department is concerned, and to say that I think the department has been very thoughtless, very unfair, in the way it has gone ahead with a project which has brought this damage upon the value of homes in the neighbourhood.

**Mr. Claxton:** I appreciate the point made by the hon. member. We have been criticized for having too good a building in Washington and not a good enough one in Toronto. I venture to say that if you look at the unit cost of the two buildings, you will find that they are within five cents or ten cents a cubic foot of each other. However, the one in Toronto is unquestionably on too small a lot. I think that really is the point about the building. That is all the area that there was to put it on, so it was put rather flush with the street and interferes with the street line. I certainly would like to have seen it put on a larger lot.



**Mr. Fleming:** That is not part of the point at all. The point is that this building was erected in a residential area. You do not take three-storey buildings with a factory appearance and erect them in a residential area. I have made a complaint, and I could put it very strongly. I think the department has been very thoughtless and very unfair to these people concerned in going ahead and putting up a building of that kind in the heart of a residential area of the city and in that way inevitably causing damage to the value of their properties. There is no member in this house who would feel otherwise than these people do if the Department of National Defence just went ahead in a residential area right across the road from them and put up a big three-storey brick building that just looks like a factory or warehouse.

**Mr. Claxton:** It is an office building.

**Mr. Fleming:** From its appearance it might be a warehouse or a factory. I may tell the minister that this thoughtless action has damaged the value of homes and has subtracted a good many thousands of dollars from the investment that these people in that neighbourhood have in their homes. I raised the objection at the time when I thought it might still have been considered before the building was fully erected. Nothing was done. The plans were carried through and the building is now virtually completed. I think it is most unfair that the crown in a situation of this kind should take advantage of its own immunity from the effect of municipal bylaws in the case of property that it owns in a residential area. This property should never have been developed in this way, and the crown should never have erected this building on the property.

**Mr. Harkness:** There is one matter I should like to ask the minister a question about. It concerns the notification of next-of-kin when there has been an air crash, and then the subsequent putting out of the information generally. I realize the fact that the next-of-kin must be notified before the information as to who has been killed in an air crash is released, but there is quite a bit of delay before the name is released generally or the names of people who have been killed in one of those crashes. During that intervening time a great deal of mental anguish is caused to parents, wives and so forth, of men who are serving in the same area. For example, a flash comes over the radio that there has been an aeroplane crash in New Brunswick at a certain station, and everybody who has a son or a husband serving there immediately wonders whether it

is his son, her husband and so forth. Until the general news is put out as to the name of that person these people of course go through great agonies of mind. As I say, I appreciate the next-of-kin must be notified first, but I wonder whether it would not be possible to expedite this matter and get the general information out so that everybody knows it, and all the relatives know what their situation is more rapidly than has been the case heretofore. It would be a great help to morale and so forth if that could be done.

**Mr. Claxton:** That is appreciated, Mr. Chairman. As soon as an accident does occur every effort is made through every suitable means to notify the next-of-kin. The best possible means are chosen. If there is an air force padre in the neighbourhood he is at once put on the job by long distance telephone and signal. If not, some other minister, clergyman or priest who has had service connections or an officer commanding, or other suitable person, but we do try to give the first communication to the next-of-kin by word of mouth in person. I find, through a great deal of experience in this, that it is very desirable. Only last week we had a case where it was not possible to do that, where the next-of-kin learned through other sources in advance, and it created very unfortunate and unnecessary shock. As the hon. member said, the next-of-kin must be notified first. We try to do that with the utmost speed, but we have in mind the considerations the hon. member has brought to our attention.

**Mr. Harkness:** Perhaps the minister did not get my point. I was concerned with the relatives of the people who have not been killed.

**Mr. Claxton:** Yes, who might have been flying.

**Mr. Harkness:** Who are extremely worried that it is their relative who is concerned in this crash. My whole point was to try to get out the general information more rapidly than is being done.

**Mr. Claxton:** I appreciate that.

**The Chairman:** We shall now turn to Royal Canadian Air Force (reserve).

Royal Canadian Air Force (reserve).

**Mr. Dinsdale:** Mr. Chairman, the problem of the reserve in relation to the army has been mentioned earlier this evening and many of these factors relate themselves to the air force because, as has been pointed out, the reserve is the backbone of our defence program. One of the encouraging developments in our air force defence has been the establishment of at least an operational wing of CF-100 fighters. When I say an operational wing that is merely a guess because there is no specific information in the white paper as to the exact number of squadrons which are available for operational work today. But on page 7 of the white paper in the last sentence of paragraph 14 we have reference to the fact that auxiliary squadrons will in due course be converted to CF-100 fighters. I am wondering just what time element is involved in the phrase "in due course".

There have been one or two incidents in Canada during the past two years which have suggested there is a great deal of dissatisfaction among the members of the reserve serving in auxiliary squadrons concerning the type of operational equipment available to them. Their complement consists of Mustangs and Vampires both of which are obsolete and were obsolescent during world war II. It is therefore imperative, if the reserve squadrons are the backbone of our Canadian air defence, that this re-equipping process be brought forward as quickly as possibly. I trust it will be possible for the Minister of National Defence to give us some further details in this regard. I am sure it would mean much to the morale of those who are trying to do a job with equipment that is obviously far from being adequate.

On page 318 of the estimates relative to expenses for the reserve forces I note, and I believe I am right in these figures, that the expenditure last year was $5,750,400, and this year the estimated expenditure is $3,537,000, a decrease of some $2 million covering the activities of the reserve squadrons. I am wondering what this decrease represents. Does it mean that the reserve squadrons are not operating at full strength? I note also that pay and allowances are down and I would like to know how that saving indicated in the blue book is made up by the department.

I notice also that the item for expenditure on the air cadet corps is down slightly from $447,200 to $412,000. The air cadet movement is one of the best sources for potential recruits to the regular Canadian air force. Finally, on this matter of the reserve forces, there is a reference made under this section to a certain contribution made to various military groups and I wonder if the air force association is included in these grants. I have scanned the estimates and I have not been able to locate any reference to grants in aid of activities of this kind. I trust they are being given some support because the air force association, which is made up of

thousands of R.C.A.F. veterans of world war II, is a reservoir for auxiliary service personnel. It is out of the air force association that the participants in the mobilization assignment training program are largely recruited, and these air force associations right across the country are taking advantage of every available opportunity to promote the welfare of members of the R.C.A.F.

In my final word on reserve matters I would like to refer to a communication I received from the minister after our discussion on last year's estimates. Because we adjourned earlier last year than this year it was not possible for the minister to reply verbally to a question I had asked concerning the disposition of reserve units across the country. The minister in his reply dated May 15, 1953 indicated that it is contemplated that several reserve radar units would be established. During the past two years I have urged that an opportunity be given to our air force association wing in the city of Brandon to make a more positive contribution to the defence of Canada. We have one of the best wings in the country but up to the present time its contribution has been restricted largely to maintaining interest locally in air force matters because there has been no possibility of establishing a more or less active reserve unit in the city of Brandon. It occurs to me that one of these radar units, particularly a light warning set, would perhaps meet the need of an air force association such as we have in the city of Brandon. It would not involve too many personnel and would also provide basic training in a most important aspect of air force defence, that is in connection with our radar units. In his general statement the minister made reference to the fact that in the next decade we will be approaching the push button stage of aerial warfare and that, of course, means that radar will be the chief means whereby this will be accomplished. I would appreciate the minister making some comment on the questions I have raised. I would appreciate it if the minister would make some comment on those questions I have asked.

**Mr. Claxton:** Mr. Chairman, I will answer the hon. member very rapidly. With regard to R.C.A.F. associations grant, if he will look at page 322 of the estimates, he will see provision for grants of $15,000. The reason for the reduction that there is in the air cadet appropriation is that this is more realistically related to what is intended for this year.

With regard to auxiliary squadrons, we expect to begin the equipment of existing squadrons with CF-100's in 1955. But preliminary to that we plan this summer to start trying this out with a single squadron on an experimental basis. The problems involved in this operation are extremely complicated. In order to have the squadrons work with CF-100's, it will probably be necessary to have about half the strength regular force.

With regard to Mustangs, Mitchells and Vampires, may I say that Mustangs are very good aircraft for catching the kind of bombers that might come over at this particular period. Mitchells are going to continue to be used for the operation of cleaning up any landings that might take place. They are very good aircraft for the purpose. With regard to Brandon having an air station or reserve flight or something of the kind, I think the air force's answer to that would be that it has been found generally desirable to locate these air control and warning units, large or small, at places where active flying is carried on so that they can train on active flying by the R.C.A.F. and where there is not too far away a radar station which they would be mobilized to assist. Those two conditions do not exist at Brandon yet. However, we have to take it into consideration.

Contributions towards the military costs of NATO.

**Mr. Hansell:** Mr. Chairman, I do not rise to speak on this item of NATO but to say that I think we have had a fairly full day. Here is NATO with an appropriation of $12 million. I think it is about time we called it a day and called it ten o'clock.

**Mr. Harris:** Before we do so, Mr. Chairman, may I say that I appreciate the fact that we have had a full day, but it seems to me that hon. members are in excellent shape to contribute to the debate at this time rather than at another time.

**Mr. Harkness:** We are very co-operative tonight.

**Mr. Harris:** You certainly are. I think the hon. member for Macleod could probably get the ear of the committee at this moment with a great deal of attention and that what he was about to say on NATO would be the local logical conclusion to many of the things that have been said here. I wonder whether he would reconsider so that we might finish this department tonight?

**Mr. Hansell:** Mr. Chairman, I do not like to be unpopular; I like to be co-operative. It is not a matter of wanting to say anything. I am so tuckered out that I cannot listen.

**Some hon. Members:** Carried.

Mutual aid.

**Mr. Michener:** Before this item is concluded I should like to ask about a project

which the department seemed to have under way a short time ago, that of making the Long Branch rifle ranges available, by finding other property, so that they might be used for a housing project or other uses of that kind. Can the minister say how that matter stands?

**Mr. Claxton:** Yes. About five years ago I was brought into the picture with regard to Long Branch. We decided then, as a matter of policy, to co-operate with the provincial government, Central Mortgage and Housing Corporation and the local community in working out a complete plan under which we would give up Long Branch in exchange for an equally good and convenient bit of land on which to have a range. Owing to one reason or another that kind of arrangement was not carried out. I have since announced repeatedly that we are willing to go through with it so that the department of defence would have equivalent ground for the job somewhere else. We even went so far at one stage as to take expropriation proceedings to secure ground north of Toronto. I thought this was being done without objection from the local community. There were very few farmers concerned. However, in the end they objected strenuously and we dropped the matter. Now we are exploring the possibility of seeing whether, with the improved transportation facilities in Toronto and area, it may not be possible to use Borden. That suggestion is being explored.

Items agreed to.

**The Chairman:** Shall I rise, report progress and request leave to sit again?

**Some hon. Members:** Agreed.

**Mr. Claxton:** If you have not left the chair, Mr. Chairman, may I express to hon. members appreciation for their co-operation.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris:** On Saturday evening I set out the agenda for this week. Subject to any unexpected changes we shall follow the order of departments as I set them out. That would mean that tomorrow we would begin with defence production, then take national health and welfare and follow with those that were indicated for tomorrow in the statement I made on Saturday evening.

**Mr. Hansell:** Might I ask the house leader this question? Since we were co-operative in allowing this big item with regard to NATO to pass and in view of the fact that there are many items here that could conceivably come under defence production, I am just wondering if he would like to co-operate with us a little bit and might suggest that we might be able to discuss this item on defence production.

**Mr. Harris:** I am not sure that I understand what my hon. friend is referring to. But certainly, at any rate, he has banked a little bit of good will on my part tonight.

**Mr. Knowles:** Banks have been known to go broke, though.

It being twenty minutes after eleven the house adjourned, without question put, pursuant to standing order.

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

DEPARTMENT OF NATIONAL DEFENCE

Defence services—

239. To provide for the Canadian forces, the defence research board and other expenditures relating to defence, including contributions toward the military costs of the North Atlantic Treaty Organization; to authorize expenditures in the current year out of the amount hereby provided, not exceeding $300,000,000, under the provisions of section 3 of the Defence Appropriation Act, 1950, and to provide that, notwithstanding subsection 3 of that section, where equipment or supplies acquired by the Canadian forces after March 31, 1950, are transferred, the estimated present value thereof shall, if the governor in council so directs, be credited to this vote instead of being paid into the special account mentioned in the said subsection 3, and when so credited may be expended for the purposes of the Canadian forces; and notwithstanding section 30 of the Financial Administration Act to authorize total commitments for the foregoing purposes of $4,577,641,724 regardless of the year in which such commitments will come in course of payment (of when it is estimated that $2,711,822,159 will come due for payment in future years), $1,865,819,565.

General services—

240. Grants to military associations, institutes and others, as detailed in the estimates, $237,725.

241. War museum, $24,690.

Pensions and other benefits—

242. Civil pensions, as detailed in the estimates, $2,977.

243. To authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British commonwealth air training plan who were killed, payments to their dependents of amounts equal to the amounts such dependents would have received under the Pension Act, as amended, had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependents under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organizations, $4,356.

Defence Services Pension Act—

244. Government's contribution to the permanent services pension account, $36,734,187.

# HOUSE OF COMMONS

**Tuesday, June 22, 1954**

The house met at eleven o'clock.

## WAR CLAIMS

ORDER IN COUNCIL AMENDING REGULATIONS

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, with your permission I should like to table a copy, in each of the official languages, of the order in council passed yesterday amending the war claims regulations. Perhaps I might be permitted to say, by way of explanation, that it does two things. It changes priority for payment of claims so that small property claims under $2,500 can be paid as soon as they have been properly processed. Nearly all the personal claims, except those that are difficult to adjudicate, have already been paid, and the government is now satisfied there will be funds available to pay the small property claims, without jeopardizing any of the personal claims.

There is another section which extends the time for making a claim to September 30 of this year. I found on checking the other day that there were 15 or so of these claims that had come in too late. Some of them had come early in January, although the deadline was December 31. It seemed to be rather unfair, when some of these claims were for small amounts, and were really compassionate cases, that they should not have their claims adjudicated. I do not expect there will be any further extension. It is intended that this will be the final date for receiving these claims.

## PIPE LINES

WESTCOAST TRANSMISSION COMPANY—DECISION BY FEDERAL POWER COMMISSION

On the orders of the day:

**Mr. E. D. Fulton (Kamloops):** Mr. Speaker, I should like to ask the Minister of Trade and Commerce about a report appearing in this morning's paper to the effect that Westcoast Transmission has decided to appeal the recent decision of the federal power commission. Is the minister in a position to inform the house as to what are the rights of appeal—what further stages of appeal there are available—or, in other words, when we might expect some finality to the matter?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** I, too, read the report in the newspaper. I understand that a finding of the federal power commission can be appealed; but I have no idea what the grounds of appeal are—whether on questions of law, as might be the case were it our board of transport commissioners, or whether on grounds of fact. In any event, I have no knowledge of the process in the United States. I can only say that I read the report.

**Mr. Fulton:** You do not know whether it can go to another court, or whether this is to be the final one?

**Mr. Howe (Port Arthur):** No, I do not know that.

## WHEAT

POSSIBLE CONTINUATION OF SEVEN-BUSHEL QUOTA

On the orders of the day:

**Mr. H. R. Argue (Assiniboia):** Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Would the minister say whether the seven-bushel quota will be continued for a short period beyond July 31 at any delivery points where space has not been available by that date?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** I do not care to comment on the situation that will face us on July 31. It is the intention to see that everyone can deliver his wheat on the basis of the seven-bushel quota; but what mechanics will be necessary to make that possible, I cannot say.

STORAGE OF ONTARIO WINTER WHEAT

On the orders of the day:

**Mr. E. B. Huffman (Kent, Ont.):** Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Can the minister assure the house that normal storage facilities will be available for the Ontario winter wheat crop?

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** My hon. friend was good enough to give me notice of his question. I telephoned Winnipeg and I was assured both by the transport controller and by the board of grain commissioners that every effort would be made to see that storage for the Ontario crop is provided.

## SUPPLY

**Hon. Douglas Abbott (Minister of Finance)** moved that the house go into committee of supply.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

### DEPARTMENT OF DEFENCE PRODUCTION

**The Chairman:** Resolution No. 78. Hon. members will find the vote at page 12 of the blue book, and the details commencing at page 152.

78. Departmental administration and payments to Canadian Commercial Corporation and other corporate agencies for services provided in connection with defence purchasing and production, $6,446,812.

**Mr. Fleming:** Is it the minister's intention to make a statement reviewing the operations of this department?

**Right Hon. C. D. Howe (Minister of Defence Production):** Yes, it is. A good deal of information concerning our defence production program was made available during the recent debate on the estimates of the Department of National Defence. In addition, hon. members have been provided with an excellent white paper tabled by my colleague, the Minister of National Defence, as well as the annual report of the Department of Defence Production, which was tabled in March.

However, I believe that I might usefully say a few words about our major procurement programs in order to indicate the scope and nature of our industrial potential, and to outline the activity of the Department of Defence Production.

As nearly one-half of the purchases of defence equipment are made on behalf of the R.C.A.F., it is appropriate that I start with our aircraft program. Without going into detail on the program itself, I would like to make a few general comments regarding our development and production policy in the aircraft field.

Hon. members have stressed the viewpoint that we should make every effort to correlate our research and development activities with those of our allies, particularly the United States and the United Kingdom. With this, the government has always concurred and much is being done along these lines. As a matter of fact, when the Right Hon. Duncan Sandys, minister of supply in the United Kingdom government, was in Canada a few weeks ago, this subject was given a great deal of attention. Because of the nature of our aircraft industry, we are in a good position to pool our industrial knowledge with our allies. Nearly every one of our important aircraft or component companies is affiliated with an outstanding American or British firm and therefore is in a position to draw on the information available to the parent company. This is true of Canadair, a subsidiary of General Dynamics; A. V. Roe and Canadian Steel Improvement, members of the Hawker-Siddeley group; Fairey Aviation, de Havilland, Sperry Gyroscope, Lucas-Rotax, and so on.

Our aircraft program is a good example of how we utilize all available know-how and developments. After the R.C.A.F. establishes an operational requirement, a survey is made of planes either in production or at the development stage, both in the United States and in the United Kingdom, as well as in Canada. If, as a result of this survey, undertaken jointly by D.D.P. and D.N.D., the R.C.A.F. is able to find a plane that suits their needs, we are asked to take the necessary procurement action. Normally, we have two alternatives—either to purchase from another country or produce in Canada.

Naturally, we prefer to manufacture in Canada, for reasons that I need not go into at this time. However, if Canadian production would not be economical because of the limited requirements, we do not hesitate to import. This latter policy has been followed in the case of the Banshees, the Neptunes, and the helicopters which we have ordered from the United States.

Where Canadian production appears feasible, such production may be based either on a licensing agreement, from another manufacturer or design and development by a Canadian company. In the first instance, the department secures a licence agreement, and a Canadian manufacturer is given a production order. This was done for the F-86 Sabre, for the T-33, and now for the Bristol Britannia. It is true that by following this practice we eliminate development costs. On the other hand, we are faced with licence fees that are in reality a payment in support of the development staff of an aircraft industry in another country. There is no question that aircraft design and development is expensive. However, if we are to attain any degree of industrial maturity, we must encourage a certain amount of this type of development in Canada. This we have done, with a good measure of success in the case of the Canuck fighter and the Orenda engine, but we are limiting our activities to those areas in which we have a special interest and where Canadian requirements indicate the desirability of an independent approach.

On the subject of Canadian aircraft production, there is one statement which I believe will be of interest to the committee and that is that every firm with which we are

doing business is producing according to schedule. These schedules are drawn up by the department with a number of factors in mind. First, of course, come the requirements of the armed services; second, the availability of components, particularly imported components; third, the question of plant loadings in order to avoid peak employment followed by heavy laying-off of help, and finally and of the utmost importance, the level of economic production.

During the first two years of the aircraft program, our major concern was to get production started. This entailed the selection and, in several instances, the creation of facilities. It meant securing complicated machine tools and a number of key materials which were in short supply throughout the free world. Finally, good management teams and skilled labour forces had to be developed. Having completed the build-up of a sizeable aircraft industry in Canada, it has been possible during the last year to place even more emphasis on economy of production. Recent studies show that on any basis of comparison, our major airframe and aero-engine producers compare favourably with the best on this continent from the point of view of efficiency and economy. This is not only a credit to the producers of the aircraft and engines—it applies equally well to our component manufacturers. Today, we have virtually no airframe, aero-engine or component production in Canada on a cost-plus basis. In most cases, we have incentive type contracts, and, as a result, costs to the government are steadily decreasing.

Other characteristics of our aircraft industry today are its diversification and its dispersal across Canada. Apart from airframes, we are producing both jet and reciprocating engines. Components in production include engine blades, precision bearings, aircraft fittings, fuel systems, and a fair range of aircraft instruments. Considerable work is also being done on materials required to meet the exacting requirements of high speeds and temperatures. Titanium in particular is receiving a good deal of attention.

As far as dispersal is concerned, we have tried to ensure that our aircraft facilities are located in such a way as to service aircraft no matter where they are located in Canada. As a result we have important plants in Halifax and Amherst, Nova Scotia; St. Jean, Quebec; Montreal, Ottawa, Toronto, Fort Erie, Fort William, Winnipeg, Calgary, Edmonton and Vancouver.

Now I would like to turn to our shipbuilding program. Without going into detail, this program may be divided into four parts, that is, frigate conversion, the Arctic patrol vessel, the minesweepers, and the destroyer escort vessels. What may not be realized is that these four parts of the program actually represent four major and complex development projects. The basis on which we decided to embark on this development and production program is the same as the one we used for the aircraft program when we found no one else producing a plane to meet our requirements. After looking around, we found that no one else was working on the type of ship that we needed to perform our anti-submarine role, and so we had to do our own development. Furthermore, we decided that production in Canada, including the major components, was desirable in order to maintain a nucleus of a naval shipbuilding industry which would be available in time of emergency.

Considerable progress has been made. The original conversion program will be completed this year, and from a design and construction point of view this has been practically equivalent to producing new ships. The Arctic patrol vessel will be commissioned next month. Of the original fourteen minesweepers, all have been launched, ten have been delivered, and the remainder will be completed by this fall. As some of these ships are being made available to our NATO partners under the mutual aid program, replacement orders have been placed with the shipyards. These will be of an improved design and able to cope with the latest developments in magnetic and acoustic mines.

We now have some cost experience in the production of this type of ship, and we are therefore anxious to place incentive type rather than cost-plus contracts for these additional minesweepers, thus ensuring the greatest possible economy of production.

On the other hand, it must be recognized that it is more difficult to establish a satisfactory target price for a ship, when only one or two are built in any one shipyard, than for a production line item, such as aircraft or ammunition, where it is reasonably easy to establish basic costs, learning curves, and so forth.

Some hon. members have commented on the apparent delays in the escort vessel program. This has been a very challenging undertaking. This ship is new, it is amazingly complex, and it embodies the latest developments of both the United States and the United Kingdom. It is designed to fulfil an anti-submarine role and during the last few years there has been a great deal of development in the field of submarines and torpedoes. Hence, the design of our anti-submarine vessel has been subject to constant change in order to keep pace.

When one considers the small number of qualified people we had in Canada in 1950 to cope with essentially four separate naval design projects, it is interesting to compare our performance with other countries that have had a great deal of experience in this field. Both the United States and the United Kingdom have recently commissioned new ships which, from a design and construction point of view, may be considered comparable to our escort vessels. The United States experience was that six years elapsed from the commencement of design to the delivery of the prototype. A similar program in the United Kingdom took six and one-half years. The design work on our escort vessel began in 1949 and the first delivery is expected next year—in other words, just under seven years. I believe that any discrepancies between actual and forecast performance are due not so much to abnormal production difficulties as to unrealistic forecasts.

Turning to guns and ammunition, there is one point that I would like to make clear. It will be recalled that approximately three years ago a decision was taken to standardize to a large extent on United States army equipment rather than the United Kingdom type which we had previously used. From a production point of view, this created a number of special problems in the guns and ammunition field.

In the United States, the requirements of Korea sparked an intensive drive to update and improve their basic weapons and ammunition. Consequently, instead of adopting equipment that was of a fixed design and in current production, we found ourselves trying to reproduce guns and ammunition that were undergoing rapid and radical development. As a result, there were inordinate delays in securing complete manufacturing drawings. This situation has now improved greatly. However, it has also been necessary to acquire detailed manufacturing data. This is being accomplished by our Canadian producers visiting production sites in the United States, and in this connection we have had the very best co-operation.

I do not want to leave the impression that we are not actually producing in these fields. Several natures of ammunition are being supplied from Canadian production to our own services, to the United States, and to our NATO allies as part of our mutual aid program. Production at the small arms plant of Canadian Arsenals at Long Branch is going very well. Sorel Industries have completed a large order of 120 millimeter guns for the United States army and are producing three-inch 50 calibre guns both for the Canadian and United States navies in advance of agreed schedules. However, in some instances, progress has been slow, but I hope that I have given the committee some idea of the special problems that we have encountered.

The final important segment of our production program is in the field of electronics. Canadian industry has continued to expand its facilities for the manufacture of electronic defence equipment during the past year. This expansion has paralleled an unprecedented increase of commercial facilities for the manufacture of home television sets, with an estimated output of 450,000 units for the current year, as compared with approximately one-tenth of this output three years ago. These additional facilities for both defence and commercial work have broadened the available sources of supply for the department, and it has been possible to obtain competitive tenders on much of the equipment required by the services, with resultant economies.

Naturally, a great deal of our activity in this field is in connection with our aircraft, ship, and gun programs. However, with the additional emphasis being placed on continental defence and interception in the north, there are heavier requirements for Canadian radar and communications equipment. In all discussions with the United States authorities regarding joint plans for northern defence we have insisted that the Canadian electronics, communications, and construction industries be given full opportunity to participate in the program, irrespective of the basis of cost sharing between the two countries.

Apart from the production aspects of the program, there are two other main facets: construction and general purchasing. Defence Construction Limited, as hon. members will recall, has been responsible for defence construction, but in the past it has to a large extent utilized the services of Central Mortgage and Housing Corporation to supervise the actual projects. Although this arrangement proved eminently satisfactory, the recent amendments to the National Housing Act placed an additional work load on Central Mortgage and Housing Corporation and, consequently, it was deemed advisable for Defence Construction Limited to take full responsibility for defence construction with the exception of the married quarters and school program, which will remain with C.M.H.C. The Department of National Defence estimates indicate that a large portion of our defence construction now either is completed or will be completed this year. However, there are a number of projects just getting under way, Gagetown being the most important.

Hon. members who have properly stressed the importance of getting the best return for our defence dollar will be glad to know that in the last few months we have noted increasing competition for defence construction contracts, a condition that will inevitably bring about lower costs.

We have made excellent progress in the field of mechanical transport. By the end of the last fiscal year, that branch had placed orders covering most of the armed services' requirements for military and special purpose vehicles and, as a result, its major function became the procurement of commercial type vehicles. Inasmuch as this is the type of procurement normally carried out by our general purchasing branch, it was decided, in the interests of economy, to merge the two branches into an augmented general purchasing branch.

In the first two years of the program the major work of this branch was in connection with the initial outfitting of the troops and the building up of clothing and equipment stockpiles. This has now been largely completed and current purchases are mainly to satisfy maintenance requirements. On the other hand, as additional vehicles, ships, and aircraft are brought into service, requirements for fuel and maintenance equipment have increased. Another important phase of the work of the general purchasing branch is the procurement carried out through its district offices. As service establishments are developed across Canada, the local purchasing activities of the 14 district offices located across Canada from St. John's, Newfoundland, to Victoria, British Columbia, have increased. In the first three months of 1954, these district offices have issued nearly 35,000 purchase documents, covering contracts totalling in excess of $14,500,000.

By far the greatest change in the defence production scene during the last two years has been in the field of strategic materials. It will be recalled that when the accelerated defence program was launched three years ago, strategic materials were generally in short supply and, through the agency of the international materials conference, international allocations were established for a number of commodities. This, of course, necessitated controls over production and distribution in Canada and in order to administer these programs we had at one time a materials branch, consisting of six divisions covering steel, non-ferrous metals, chemicals, petroleum, newsprint and priorities. Gradually, as circumstances permitted, we relaxed controls and decreased the personnel of the branch until, by the end of the last calendar year, we were able to abolish all controls and the materials branch itself.

This brings us to the organization of the Department of Defence Production. After its establishment on April 1, 1951, it reached a peak strength of 1,762 on June 30, 1952. On May 31 of this year, the number was 1,539. This reduction was largely due to the abolition of the materials branch to which I have already made reference. For the information of the committee, charts indicating the organization of the department as of June 1 have been distributed to all hon. members.

When the Minister of National Defence was discussing his estimates, he spoke of the long-range planning of the NATO alliance, which has been described as the "long haul" approach. He also indicated that, although modest reductions in defence budgets were possible during the next few years, current commitments and the need to maintain our position of active and effective preparedness would require substantial defence expenditures for a number of years.

This obviously means that there will be a continuing requirement for an efficient procurement organization. In the early stages of the department's history, we secured the loan of a number of experienced men from industry, who either directed our various production and material branches or provided valuable assistance in other capacities. At one time, we had as many as 99 so-called "dollar a year" men in the department. Today, only two of our branches are being directed by other than career civil servants, and the total number of industry men on loan has been reduced to 10. These men from industry, who have given generously of their time and experience, have made a very real contribution to the defence effort. But it is obvious that, in the long run, we must depend on career civil servants to staff a government department.

We have been making every effort to develop a sound organization on this basis. However, we find that, because the life of the department is limited to five years under the terms of the Defence Production Act, there is a tendency for some members of the staff to seek other employment that apparently provides more security. Furthermore, we have found that the temporary nature of the department is often a deterrent to well qualified men who have considered joining us.

Under these circumstances, I believe that it is appropriate to announce now that it is

the government's intention to seek, during the next session of parliament, an amendment to the Defence Production Act which will put the life of the department on a more permanent basis.

**Mr. Fleming:** Mr. Chairman, I am sure the committee has listened with interest to the review which the minister has just read concerning the operations of the Department of Defence Production and some rather significant changes that have appeared in the program of that department and the conditions with which it has to deal in Canadian industry. I am sure that the committee was glad also to hear what the minister read to us concerning deliveries and also concerning the emergence now of increased competition. I think no one will be surprised at that situation having regard to the fact that competition now is so much keener throughout Canadian industry in general. So far as the government purchasing program is concerned, it is a factor that will undoubtedly react to the advantage of the taxpayer. As I proceed I hope to make a comment concerning the announcement in the final paragraph of the minister's statement, which, it seems to me, is of no little importance.

The estimates of this department this year call for an expenditure of $40 million as against appropriations for the year ended March 31, 1954, of $73 million. On the surface this represents in the appropriations of the department a reduction of $33 million which parallels a simplification of the task of the department and an advance in the government's purchasing program on account of defence.

The task of the department is indeed an important one. This department came into existence on April 1, 1951. It has therefore now been in existence for approximately three years and three months and the expenditures on account of defence which have been made through this department in that period are now approaching the $5 billion mark.

The minister has made a comment upon the reduction in the staff of the department this year. There has, of course, been a notable reduction in the tasks, functions and difficulties of the department as a result of the developments within the past year or fifteen months. The minister has made reference to the marked improvement in the supply of strategic materials, which improvement made it possible on December 31, 1953, to discontinue the remaining controls and indeed the materials division of the department.

The temporary nature of the department, to which the minister made reference, has unquestionably been a factor in the minds of some of the senior men in the department. No one needs to have many contacts with men holding responsible senior positions in the department in order to realize that what the minister has called the temporary nature of the department has had an unsettling effect on the minds of many of those senior officials with regard to their continuation in the service of the department. I am not going to attempt to pass judgment upon the amendment which the minister indicates the government will introduce at the next session of parliament. However, I say this. It is a most interesting announcement and the problem with which, I take it, the amendment is intended to deal is a significant one to which attention must be directed.

Our thoughts in relation to our task as a committee of supply this morning are, I think, related not simply to the matters of supply of materials to which the minister has made reference or to improving deliveries. In addition we are concerned about the policy followed within the department. The minister has not made any extended comment on the policy within the department. I propose to speak briefly concerning various phases of that policy as we have known it in the past and to ask the minister, at the appropriate time, for an adequate statement as to policy and as to whether in this and other respects there has been any change or development in the policy of the department.

My first question is in relation to policy as it affects the Department of National Defence. Recently we have spent several days reviewing the estimates of the Department of National Defence. Yesterday we spent an extremely long day, completing that review only at a late hour last night. It is not my intention to go over any of that ground, but as to the relationship between these two departments there is much that the committee yet needs to be told.

Is the relationship between the two departments what it was when the estimates of this department were before the House of Commons for review a year ago? That is my first question in this regard. We were told by the minister himself a year ago on a similar occasion that in effect the Department of Defence Production has nothing to do with and takes no responsibility in relation to quantities or, indeed, the nature of purchases, and that it simply accepts requisitions from the Department of National Defence and then proceeds to fill those requirements by purchase or by contract. The relationship between the Department of National Defence and the Department of Defence Production

was significantly stated by the minister on May 7, 1953, at page 4923 of Hansard, in these words:

> It would upset the relations between the two departments if we questioned the requirements of the services, and it is not our business to do so. If the services say they need a gold-plated piano, it is our duty to buy it.

I ask the minister if the relationship between the two departments is today as it was on May 7, 1953. Is it still the function of the Department of Defence Production simply to receive requests from the Department of National Defence and to fill them willy-nilly without question? Indeed, Mr. Chairman, with all apologies to Tennyson and "The Charge of the Light Brigade", one can say that the function of the Department of Defence Production, as indicated by the minister in this passage last year, might be put in this way:

> Theirs not to reason why,
> Theirs but to build and buy.

When expenditures of some $5 billion are made in a period of three years and three months I think the house is entitled to expect scrutiny of these purchases, not simply the terms on which the minister's department is purchasing them but as to the necessity for these vast purchases that have been made. In no other way is there going to be any pretence of protecting the interests of the taxpayers.

The next question I wish to ask in relation to the policy of the department as to where they are making their purchases and as to what direction, if any, they are seeking to give to their purchasing policy. Last year the minister declared the policy of the department in this respect to be, first, to purchase in Canada where possible, that is to say, where goods are available on the same or, I take it, approximately the same terms as they can be purchased from abroad; second, to direct purchases to the United Kingdom, and in the third place to the United States. I ask if that is still the policy of the department. I do not think there will be any quarrel with that as a statement of policy, but we will wish to know a good deal more than we have been told either in the statement read by the minister this morning or in the annual report of the department for the calendar year 1953 as to what has been done in fulfilment of such a policy.

The report of the department for the calendar year 1953 contains at pages 45 to 51 some statistical information concerning purchases by the department either by way of defence orders or defence procurement expenses as well as approved projects for capital assistance. As to purchases in the United Kingdom, I think I do not need to labour the point that here is one place where we can at the same time purchase wisely and assist our export policy. Purchases from the United Kingdom have this double advantage under present conditions.

I referred a few days ago to the statement made on April 14 by Mr. James S. Duncan, chairman of the dollar-sterling trade council, in which he drew attention to the advantages that would flow to Canada in seeking to increase her export trade if we could transfer even a modest percentage of our present huge purchases in the United States to the United Kingdom. These were his words:

> Based on last year's trade pattern, if we could transfer only 7 per cent of our imports from the United States to the United Kingdom, it would eliminate Britain's trade deficit with us and put her in a much better position to buy our products.

Mr. Duncan went on to state that the purpose of the dollar-sterling trade council is to assist in this 7 per cent transfer of Canadian imports from the United States to the United Kingdom. It was graphically put by Mr. Peter Thorneycroft, president of the British board of trade, in his recent visit to Canada when, indicating Britain's wish to increase her purchases from Canada and also her capital investments in Canada, he said in a picturesque phrase, "You cannot invest a deficit". It is hardly to be expected that Britain, looking at our trade relationships in the past, is going to arrive at the point where she sells to Canada more than she buys from Canada. Historically Canada has had a substantial export surplus in her trade relationships with the United Kingdom just as in her trade relationships with the United States historically she has had an import surplus. But much could be done to the advantage of Canada to reduce the extent of Canada's export surplus with Great Britain by transferring much of our purchases abroad from the United States to the United Kingdom. Here in the matter of defence procurement we have an opportunity to help to rectify that balance. To the extent to which purchases are not possible in Canada, then certainly every opportunity should be given to make those purchases in the United Kingdom rather than elsewhere. Looking at the figures contained in the report of the Department of Defence Production for the calendar year 1953, we can only conclude that the purchases made by this department and the orders placed in the United Kingdom are disappointingly small.

Looking at the tables beginning at page 46 of the report in relationship to total Canadian defence orders, we see that in the year 1952 Canada's total defence orders amounted to $1,409 million. I will give simply round

figures. Of that total 90 per cent were placed in Canada, a total of $1,262 million. Orders placed in the United States come next, $78 million, or 5½ per cent. Orders placed in the United Kingdom were just $63 million, or only 4½ per cent of the total. If we look at the 1953 figures we will see that the total of defence orders was substantially reduced last year. The total dropped from $1,409 million in 1952 to $811 million in 1953. That of course is to be explained by the fact that these are defence orders placed and the bulk of the placement program of course was accelerated in the year 1952.

Of these orders in 1953 we see that $716 million worth were placed in Canada, or 88½ per cent, in the United States $61 million or 7½ per cent of the total, and in the United Kingdom just $33 million, or only 4 per cent of the total. The total of defence orders placed in the United Kingdom compared with the United States was indeed small enough in 1952, $63 million; in 1953, out of a smaller total, that figure had dropped to $33 million or just one half of the total of orders placed in the previous year.

If we look at the expenditures on defence procurement, for which figures are also contained in the tables on the pages I have mentioned in this report, we will see that in 1952 the expenditure totalled $1,095 million, of which, according to my arithmetic, 86 per cent were placed in Canada, 12 per cent or $132 million were expended in the United States, and only 2 per cent or $22 million were placed in the United Kingdom. In the year 1953 the total of expenditures on defence procurement had increased to $1,174 million, of which 85 per cent was placed in Canada; $130 million or 11 per cent were placed in the United States and $49 million or 4 per cent were placed in the United Kingdom. It is to be seen that while the actual expenditures on defence procurement in the United Kingdom were doubled in 1953 over 1952, nevertheless the total figure in 1953 of $49 million of expenditure on defence procurement in the United Kingdom is still a very small fraction of the total, being only 4 per cent.

**Mr. Howe (Port Arthur):** Will my hon. friend tell me where he is getting his figures, Mr. Chairman. My figures show that in 1953 $33 million was expended in the United Kingdom and $61 million in the United States.

**Mr. Fleming:** The minister is away behind me. I had already dealt with Canadian defence orders. He is reading the figures on pages 46 and 47 of the departmental report. I went on from there to deal with the figures for defence procurement which are to be found on pages 49 and 50 of the report. He will see the figures I have been dealing with latterly are the figures for defence procurement.

**Mr. Howe (Port Arthur):** Oh, I see.

**Mr. Fleming:** There has not been any unwillingness on the part of the United Kingdom to extend its sales of defence materials or equipment to Canada. On the contrary there has been evidence of the appreciation in the United Kingdom of the opportunity that exists and the desirability, in the interests of the United Kingdom as well as of Canada, of taking every advantage of the opportunity that exists through this vast spending program.

I have in my hand a Canadian Press dispatch, dated May 20, 1953, from Ottawa, and it reads in part as follows:

> The British government today announced it is taking new action to step up Canada's defence orders with Britain, the United Kingdom information office here said. First of a number of measures will be the assignment of two officials to Canada to deal with requirements of the Canadian armed forces that could be supplied by Britain.

And so the dispatch proceeds. One can find other dispatches emanating from United Kingdom sources of high authority, indicating the wish of the United Kingdom government and of United Kingdom manufacturers to meet the needs existing in Canada wherever there is an opportunity given to them of doing so. Here is a golden opportunity where we are making the purchases anyway, and it does not mean any further drain upon the resources of the Canadian taxpayer, either by way of loans, gifts or preferences, in aiding Britain. In the case of goods or equipment that cannot be found in Canada, let us direct those purchases to the United Kingdom, and in that way furnish the United Kingdom with the needed dollars with which she may increase her purchases from Canada of wheat and other goods which we have here in such surplus supply.

To the extent to which this large spending program has progressed wherever purchases have been made in the United States that could have been made in the United Kingdom, we had lost what I think, and perhaps all members will agree, is a valuable opportunity to help Britain increase her purchases from Canada. The minister made an interesting speech in Montreal last week indicating a degree of concern which we have not always found present in the minister's speeches, about the desirability of closer trading relations with the United Kingdom. Here is an opportunity, without putting any additional burden upon the Canadian taxpayer, in cases where purchases cannot be

made within our own borders, to help ourselves by making these purchases from United Kingdom sources rather than from the United States and elsewhere.

I point out at the same time, Mr. Chairman, that it is evident from the report of the department that our expenditures in the United States are very great, whether by way of defence orders placed or procurement expenditures and orders. The total orders and expenditures in the United States in 1953 have held up more than the orders and expenditures made either in Canada or in the United Kingdom.

I am next led to ask about the position and policy with respect to the purchase of machine tools. We had some discussion a year ago in connection with the estimates of this department as to the progress in connection with the acquisition of machine tools and the policy in reference to the place of the purchase of those important factors in our defence program. If one looks at page 21 of the report, one will see that in 1953 "the United States remained the largest single source of supply for machine tools". Page DD-16 of the public accounts for the fiscal year ended March 31, 1953, seems to bear this out. It would be interesting to know in this connection to what extent the department has been acquiring small machine tools from German sources and whether those purchases could have been made from United Kingdom sources.

I next turn to the subject of capital assistance. Capital assistance has played an important role in the defence program. The minister had, I believe, nothing to say in his statement this morning concerning capital assistance. We had questions to ask and something to say on this subject last year. The estimates of the department indicate that the program of capital assistance faces quite a substantial curtailment this year. The amount asked in this connection this year is $25 million as compared with $60 million for the fiscal year ended March 31, 1954. Last year we sought to ascertain how the program of capital assistance, under the government's administration, was dovetailing with what appeared to us in the official opposition to be a necessary policy with respect to our defence program in this regard.

I have indicated how, in our view, purchases which we must make abroad could, with great advantage to Canada, be made in the United Kingdom.

I should like now to say that, as to purchases within Canada, there is great advantage to be derived from the widest possible dissemination of those purchases throughout Canada with a view to distributing the advantages that come from a program of this kind. No one is suggesting any serious departure from the rules of economics or of sound buying; but, Mr. Chairman, the minister has never yet convinced us that within the scope of purchases being made within Canada he is taking advantage of the opportunity that is placed in his hands of bringing advantage to provinces other than the central provinces in the distribution of these defence orders.

Here was an opportunity, perhaps the opportunity of a lifetime—an opportunity at any rate which has not existed at any time in Canada's history, with the exception of the period of world war II—to assist in strengthening the economies of the other provinces by placing defence orders there. Think what it would mean to the economy of the maritime provinces, the economy of Manitoba and the economy of other provinces, by way of strengthening secondary industry in those provinces and providing a broader foundation for economic life in those provinces, if to a great extent this program of defence purchasing were distributed with advantage to those provinces, rather than having it concentrated in central Canada.

The information on the subject is deplorably scant. Last year one turned to the public accounts, for lack of any other authentic source of information. I pointed out last year that, if one is to judge by the head offices of the corporations with which these defence orders were placed, the program was largely confined to the central provinces. The minister took issue with that basis of determining where the orders were being filled. He said, "You cannot tell, entirely, from the location of the head offices of companies, where orders are being filled or where subcontracts let by those contractors are being placed". That may be so. But if the minister has a better or a more reliable way of determining where the advantages of this defence purchasing program are being distributed, then I wish he would tell the house about it.

This morning he said something very brief and very vague about the distribution of purchases. Let us have more information on the subject. We have had enough discussion and enough consideration of the subject in times past to want some detailed information about it. Indeed when from time to time we have asked for information of this kind we have been put off with vague generalities to the effect that the department does not keep records in that way.

On what sound statistical information has the minister made this vague statement this morning about the distribution of the benefits of the purchasing program within Canada?

Until he does give some proper information in this respect, I can only refer to the public accounts in relation to his department, and note from that source that for the fiscal year ended March 31, 1953, we find at pages DD-3, 4 and 5, looking at the provision for "capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to approval of treasury board", that, out of a total of allotments of $110 million, and expenditures of roughly $78 million, the number of companies or contractors receiving capital assistance was 84. The information discloses that the head offices of 73 of these 84 companies were located in the two central provinces, with only three in Nova Scotia, one in New Brunswick, three in Alberta, two in British Columbia and two in Manitoba.

That does not contain very eloquent testimony either to the success or, indeed, to the effort of the government in seeking to distribute those purchases more widely throughout Canada. I live in one of the central provinces. I know there are advantages in the matter of the fulfilment of orders from the fact that there is a concentration in those central provinces of industrial capacity. But, Mr. Chairman, speaking not as a central Canadian, but as a Canadian, I say that here is a great and extraordinary opportunity given to the government to strengthen the economy, particularly the secondary industry, in the other provinces, and I am thinking particularly of provinces such as the maritimes, Manitoba and others. I am afraid that, in the light of available information, it looks as though the government is allowing this opportunity to slip away without advantage to these other provinces whose economies could be strengthened in the course of a program of this kind, without putting the slightest additional burden upon any Canadian taxpayer.

In this program upon which we are embarked we wish to see, so far as possible, that purchases are made within Canada, when the supply is available here. If that is our position, then why can we not, to a far greater extent than is indicated by these figures, direct those purchases so that they will be of general advantage to all of Canada?

In conclusion I come to several matters of a more specific nature. Those of us in this part of the house have always been concerned about the provisions of section 17 of the Defence Production Act, as it is set out in chapter 4 of the statutes of 1951, second session. This is the statute that established this department, and from which it derives its wide powers. Under section 17 (1) (e) of this statute, we see that—

> (e) a contract may be entered into by the minister without the approval of the governor in council if
> (i) in the opinion of the minister, the contract must be entered into immediately in the interests of defence,
> (ii) the estimated expenditure, loan or guarantee does not exceed twenty-five thousand dollars, or
> (iii) competitive tenders have been obtained and the lowest tender, involving an estimated expenditure not exceeding fifty thousand dollars, is accepted.

This section, of course, covers more than purchases without tender. But the provisions of the section have always been so broad that each year we have made it our business to look for an extended and detailed report on the subject. What is the extent to which the department is making purchases now without calling for tenders? Now that the early feverish haste in launching this program of defence procurement may be said to have passed, is it not possible to proceed by more orthodox and established methods in making purchases or awarding contracts?

In this regard one listened with interest to the statement of the minister this morning that the department is now departing from its previous practice of awarding contracts on a cost-plus basis. That was welcome news, particularly to those of us including yourself, Mr. Chairman, who during the 1953 session served on the special committee on defence expenditure. We were not the least bit happy about the wide extent to which contracts were being awarded through this department and its corporate creations on a cost-plus basis. To the extent to which the department is now awarding what the minister has this morning called "incentive contracts", in place of cost-plus contracts, we shall acclaim that as a step forward. We wish to know more about it; we wish to know how far this trend has gone. We do not make any attempt to disguise our dislike for the kind of contracts that have been awarded by the department in the past.

In the next place, Mr. Chairman, we want more information about the operations of the revolving fund within this department. Section 16 of the Defence Production Act makes provision for "a defence production revolving fund". In that fund there is a working capital of $150 million turning over in the department today. The annual report of the department on this point is very sketchy indeed. We ask for more information on that point.

We next ask for more information concerning the policy of the department in relation

to disposal or retention of crown assets. I am thinking in this respect in the first place, but not entirely, of crown-owned plants.

Within the past year a very large plant has been disposed of by the government. Last September an announcement was made that the government-owned Orenda jet engine plant at Malton had been sold to the A. V. Roe Canada Limited at a sale price of somewhere, according to newspaper reports, between $17 million and $17,500,000. According to the newspaper reports the original cost of the plant was $35 million, and the government—

**Mr. Howe (Port Arthur):** No, Mr. Chairman.

**Mr. Fleming:** —retains ownership of about $17 million worth of equipment in the plant.

**Mr. Howe (Port Arthur):** The cost the hon. member gave included the equipment. The equipment was not sold.

**Mr. Fleming:** Yes. That is what I was saying. That is the burden of the report which I have just been reading. The plant was sold for a price, as mentioned here, of between $17 million and $17,500,000. The total cost of the plant and equipment was $35 million and the government is retaining ownership of about $17 million worth of equipment in the plant. That is a very substantial sale, Mr. Chairman, and it naturally leads one to ask questions as to the policy of the government in this respect. Is it policy to dispose of crown-owned plants? If so, what are the terms or objectives which guide the government in relation to sales? In this case the sale was made to the corporation which was managing the plant on a management-fee basis. One can see that if the government did decide to dispose of the plant, that corporation was the natural purchaser if terms were reasonable and every effort had been made to assure that the taxpayers' interests were adequately protected in the sale.

I ask the government as to policy in this respect. Are other purchases in contemplation? What steps are being taken to assure that in the case of disposals of plants the full value of those plants is being realized in the sale price?

I ask generally about policy in regard to sale of crown assets. I have referred particularly to crown-owned plants. In conclusion I turn to crown-owned assets of another nature. We have a corporation which functions under this department known as the Crown Assets Disposal Corporation. Its function, as it has been described in times past, is to dispose of crown assets that are surplus to the crown requirements. We have been assured in the past that before any steps are taken through that corporation to dispose of crown assets every proper inquiry is made to determine whether those assets are required not simply in this department but in other departments of government.

Here is a department that is expending billions of dollars of the Canadian taxpayers' money, because this money has all come out of the taxpayer; none of it has been borrowed; none of it is to be paid for by future generations; all of it is being paid for by the taxpayers of 1951, 1952, 1953 and now 1954.

What is the policy in this respect? How is the policy being administered by the department? Well, I hope the case to which I am about to refer, Mr. Chairman, is not an example of the way in which the government is discharging its responsibilities in this respect. I hold in my hand an invitation to tender, issued by the Department of Defence Production, and dated March 30, 1954, inviting the submission of tenders for certain "automotive spares (bearings)", the tenders to be addressed to the secretary of the department at Ottawa and to be received by him not later than four o'clock p.m. on April 27, 1954. Attached to this invitation to tender are three sheets setting forth a considerable number of bearings, all identified by certain well-recognized trade designations. In most cases the bearings specified are either SKF or Timken bearings. In some cases they are either Timkens, Hyatts, New Progress, or Bantam and some other bearings, but many of them are Timken bearings, each of which bears a number designation which refers to and identifies a standard form of bearing produced by the Timken Roller Bearing Company. They are completely standardized, as all hon. members will appreciate. Every one of them has a trade number identifying it. The quantities required vary greatly. I have not counted them but I presume there are about sixty different types of roller bearings that were to be purchased in accordance with this tender. The quantities purchased of each kind of bearing rise from 3 of a minimum to, I think, a maximum of 28,365. Therefore in the total number of bearings on which those in the trade are being invited to tender we have some scores and scores of thousands of bearings. In other words, this is not a small matter.

I also hold in my hand, Mr. Chairman, an advertisement put out by a Toronto firm which is engaged in the sale of used automobile parts as well as new ones. This firm put out a letter to the trade dated March 30, 1954, advertising for sale "bearings Timken, SKF, Hyatt" and many others.

They are said to be available at a special discount which is described as 75 per cent off the current Canadian price list as shown, and even less if they are to be used in manufacture, and you give your sales tax licence number. Then this paragraph follows:

All bearings are genuine, brand-new, government surplus in absolutely first-class condition and are unconditionally guaranteed. Many are still in their original packing, while others have been carefully and expertly repackaged where necessary.

I have not seen these bearings, Mr. Chairman, but I do know that the firm which has put out this statement to the trade, this printed sheet to the trade, is a reputable firm.

**Mr. Dickey:** Can the hon. member supply the name of the firm?

**Mr. Fleming:** Do you wish me to give it or shall I send it over?

**Mr. Dickey:** Whichever you like.

**Mr. Fleming:** I will send it over to the minister. When this firm refers to a government surplus of bearings I am quite sure they are making a truthful statement as to the source of their purchases. To that statement from that company there is attached a list of bearings, and I have been comparing the two lists and I find there are many of the same kind of bearings quoted in both lists.

**Mr. Howe (Port Arthur):** In what year did that transaction take place?

**Mr. Fleming:** I gave the date of the invitation to tender, Mr. Chairman, and it was March 30, 1954, and the time for the submission of tenders was to close at four p.m. on April 27, 1954. The letter to the trade put out by this firm is dated March 30, 1954. In other words, it was put out at the same time as the government through the minister's department was inviting the trade to tender on the very same kind of roller bearings. I will just run through a few of them, Mr. Chairman, and I shall be glad to send these papers over to the minister for examination. The following are the numbers given of the standard Timken roller bearings: 2793; 2924; 23100; 23256; 28682; 31593; 41286; 53176; 59187; and 59200. These numbers appear on both lists, Mr. Chairman, and therefore it is evident that on the very day the Department of Defence Production was inviting the trade to tender on large quantities of new roller bearings a firm in Toronto was issuing to the trade a printed list of the bearings that it had available, including a number of the very same kind as those for which the government was inviting tenders and on which this firm is offering a 75 per cent trade discount and stating that these bearings are:

. . . genuine, brand-new, government surplus in absolutely first-class condition, and are unconditionally guaranteed. Many are still in their original packing, while others have been carefully and expertly repackaged where necessary.

No one, Mr. Chairman, expects the minister to be a superman or the department he heads to have superman wisdom or efficiency. But I think we are entitled, as a House of Commons being invited to vote billions of dollars of the Canadian taxpayers' money, and hard-earned money in practically every case, to expect a higher degree of efficiency than is displayed here, particularly when the government is disposing of surplus and then turning around and purchasing the very same thing by public tender and, as we well know in such a case, at a substantially higher cost.

I repeat what I said in introducing my review of the information in reference to this case, namely, that one hopes this is not an example of the way in which the operations of the Crown Assets Disposal Corporation and the purchasing activities of the Department of Defence Production are correlated, because there is no evidence here of any correlation whatever. So, Mr. Chairman, we will expect something much stricter, much tighter, and much more efficient in the way of the administration of the department than that case indicates is the situation.

**Mr. Dickey:** Would the hon. member be good enough to send over the documents?

**Mr. Fleming:** Yes. I am sending over to the minister, Mr. Chairman, the entire papers to which I have referred. There are some seven or eight pages.

Let me say in conclusion, Mr. Chairman, that the powers wielded by the Department of Defence Production are very great. When you place it within the power of a government department in peacetime to make purchases in a matter of three years aggregating a figure approaching $5 billion, I do not need to tell any hon. member of this house that you are placing in the hands of the government, and particularly in the hands of the minister who heads that department, vast powers over the economy of this country.

It is an unhappy circumstance that the world being the kind of uneasy, turbulent, and unsafe place in which we find ourselves, Mr. Chairman, it is necessary to undertake a defence program as vast and costly as this one is. But the very least that the House of Commons ought to do in these matters is to

insist upon the observance of sound and fair policies in these matters, and that the vast economic power which is placed in the hands of the government under this program shall not be arbitrarily wielded to the disadvantage of individuals in Canada. Where there are advantages they should be widely distributed, and where orders are to be placed they should be placed on a fair and equal basis. The last thing in the world that could be justified is any form of discrimination or the wielding over the heads of manufacturers, and through them their workmen, of powers of this kind in an unfair manner.

And so, Mr. Chairman, while we have indicated the importance we attach to the functions of this department, we do call for a strict scrutiny. It is perhaps unfortunate that this year there has not been a committee charged with the responsibility of reviewing the transactions of this department. The fact is that we have had many committees this year, they have been discharging a heavy responsibility, and there is a limit to the number of committees that can operate efficiently in a single session. But apart from that, Mr. Chairman, I shall not need to remind you, as a member of the defence expenditure committee in 1953, that we had some very disappointing and frustrating experiences on that committee. The committee was not permitted to extend its review back beyond April 1, 1950, and the committee was never permitted to review the estimates of the department for the current year. It was permitted to review nothing but expenditures made in the past.

As a means of testing the propriety and fitness of the estimates of expenditures for the current year it had no competence whatever, for it lacked all power. The kind of committee that is needed, Mr. Chairman, to review the type of expenditure that is being made through this department on behalf of the Department of National Defence, expenditures that amount to very close to half of the national budget, is the type of committee which has an opportunity to review the estimates of expenditure for the current year and the proposed expenditure, not simply the expenditure made in the past. In that way and in that way alone will parliament really be in a position to discharge its duty to review the operations of this department effectively.

**Mr. Cameron (Nanaimo):** Mr. Chairman, I was interested to hear the minister tell us that the policy of granting cost-plus contracts has now yielded place to the granting of another type of contract which I believe he referred to as an incentive contract. Not only would I be interested but I would be relieved by that statement were it not that I remember hearing of other types of contracts that have been let by this and other governments which, in my simple-minded manner, I had imagined were in effect cost-plus contracts but as to which I was told I was quite mistaken and that they were, on the other hand, what were known at that time as target contracts.

They were an extremely interesting instrument of agreement, Mr. Chairman. Apparently a target contract was something like this. There was a certain figure at which it was presumed a contractor was supposed to aim; and when, as inevitably happened, he aimed at this price and hit not the bull's-eye but a point away out on the outer part of the target, then the procedure was to move the bull's-eye out to where he had hit. For instance, I recall asking earlier in the session a question about certain naval vessels that we had been constructing. I was interested in them because last year I was working in the yard that was producing these vessels and we saw them. They were these quite small wooden minesweepers. We had discovered that the target price had been $925,000. Later we heard rumours that it had been increased to $1,600,000. Hence I put a question on the order paper when I became a member—

**Mr. Howe (Port Arthur):** I do not think my hon. friend wants to mislead the committee. There was never a target-price contract placed for a minesweeper until these last three months. My hon. friend is talking about estimates of costs. He is not talking about contract price, and I wish he would not call them that.

**Mr. Cameron (Nanaimo):** All right, Mr. Chairman; we will call them estimates of cost. The estimate of cost was so far out that, instead of costing $925,000, they were to cost $1,600,000, according to the answer I received in reply to the question I put on the order paper.

I recall also that in that same year there was another naval vessel for which a contract had been let, namely the *Algonquin*. I was greatly interested in that vessel because it was tied up on the other side of the dock from the vessel on which I was working. It had been there for many months—for many years, as a matter of fact—undergoing reconstruction or reconversion. I recall that in the little house organ of the company for which I was working, and which had the contract for the *Algonquin*, there appeared last year a little article on the completion of H.M.C.S. *Algonquin*. In this little house organ it was

pointed out that owing to the increase in the costs of production and, of course, the cost of labour, it had been necessary to spend on the completion of the *Algonquin* more than had been the original estimate. But the company patted itself on the back that in spite of those greatly increased costs, the *Algonquin* reconversion was going to cost only $4 million. That might have been all right, Mr. Chairman, except that my friend the hon. member for Esquimalt-Saanich—he at that time was my predecessor as the hon. member for Nanaimo—had an attack of curiosity at that time and he put on the order paper a question asking how much the reconversion of the *Algonquin* had cost. Most unhappily for the editors of this little house organ, a few days after their statement that the *Algonquin* reconversion unfortunately was costing more than had been expected, and that it was going to cost $4 million, there appeared in the press the answer to my hon. friend's question indicating that the cost had been $5,275,000. Therefore, as I say, Mr. Chairman, I would have been happier at the minister's statement were it not for these little doubts I have in my mind as to whether there is any real distinction—or whether it is not, after all, a distinction without a difference—between these two types of contracts to which there has been reference.

Then there is another question that is in my mind when I read the report of the Department of Defence Production and when I find on page 14 that up to the end of 1953—I hope the minister will correct me if I am wrong; I am assuming that is the period from the establishment of the department to the end of 1953—certificates had been issued covering some $665 million worth of capital investment in facilities for the production of both basic materials and defence supplies, thereby allowing additional benefits by way of income tax write-offs amounting to some $277 million. This is a reference, Mr. Chairman, to what is commonly known as accelerated depreciation. Of course it may be that that has been necessary in order to ensure the production of defence materials. However, when I read that I was reminded of another instance in which the taxpayers of Canada were asked by this government to forgo some of their legitimate income in order to aid another struggling company to produce materials for Canada's war effort. I refer to the Aluminum Company of Canada.

On that occasion we afforded them these additional benefits—as they are referred to in the report of the Department of Defence Production—to the tune of $177,359,956.06. Mr. Chairman, it may perhaps have been necessary to do that. Perhaps it was necessary because we were asking the Aluminum Company of Canada to expand their facilities to an extent that would be far greater than anything for which they could find use after the war. In fact, as I recall it, that was the idea that was presented to the people of Canada. That is why they were asked to forgo approximately $177,000,000 of income in order that this company might be enabled to meet our wartime needs.

Mr. Chairman, somebody again made an estimate that was very wide of the mark. Hardly had the war ended than this same struggling company brought their approximately $177 million plus several hundred million dollars more up into British Columbia to expand still further their facilities in a period that we have been given to believe would not provide any market for the expanded facilities at Arvida. Therefore, as I say, I have some doubts as to the possible necessity for this relinquishment of $277 million worth of income to the federal treasury.

Then in the next paragraph we are told of the $48 million that is being granted by way of capital assistance to private industry. Again, it may perhaps be necessary to grant this assistance to firms in order to get them to produce the materials that we require for our defence expenditures. But, Mr. Chairman, surely there is a reasonable case to be made out for this government's retaining, on behalf of the people of Canada, an equity in those industrial facilities for which we are providing the capital. Surely that is not an unreasonable proposition.

**Mr. Howe (Port Arthur):** We own the facilities.

**Mr. Cameron (Nanaimo):** I beg your pardon?

**Mr. Howe (Port Arthur):** We own the facilities.

**Mr. Cameron (Nanaimo):** The major portion of this type of assistance was granted in 1952. If you own the facilities, to whom were you giving the assistance?

**Mr. Howe (Port Arthur):** We were giving it to ourselves. Any money that is advanced as capital assistance is advanced for the purpose of providing a facility to be owned by the crown. If it is a building, the building is owned by the crown. If it is a machine, the machine is owned by the crown.

**Mr. Cameron (Nanaimo):** I certainly withdraw everything I have said. I am extremely glad to hear that. I was afraid that this was the same sort of assistance we had given

to the aluminum company. Now, Mr. Chairman, I am not, however, so particularly interested in these aspects of our defence production program. I do not think, for instance, there is anyone in this chamber, including the minister himself, who can tell us with any assurance that our $2 billion that is going to defence expenditures is being spent in the wisest manner possible. I think that is entirely a matter of opinion. I think the opinions may be based on very little information, and it may not be possible to get the information. Let us agree that they are doing the best they can in that regard; but let us, on the other hand, proceed to get some incidental benefits out of these wasteful and misguided expenditures, if there are any such in this department.

To that end I should like to direct the attention of the government to the policy that is now being pursued by the government of the United States. I have in my hand defence manpower policy No. 4 as revised on November 5, 1953. This defence manpower policy directive from the office of the President of the United States is designed to ensure that defence expenditures in the United States are placed with certain objectives in mind, one of them being the objective of maintaining, as they say here, "management and employee skills necessary to the fulfilment of government contracts and purchases", the idea being that there should be a consideration of the needs of industrial development and industrial employment in various parts of the United States in the placing of departmental orders. Paragraph 2 of this directive has this to say under the heading "purpose":

> It is the purpose of this defence manpower policy No. 4 to direct attention to the potentialities of areas of substantial labour surplus, hereafter referred to as labour surplus areas, for the placement of procurement contracts or the location of new plants or facilities, and to assign responsibilities to specify departments and agencies of the government to carry out the policy stated below.

I may say that the definition of a labour surplus area for the purpose of this directive is an area in which the labour surplus is 6 per cent or over and an area in which there appears to be no immediate sign of improvement. With respect to the purposes the directive goes on to say that they are:

> (b) To maintain productive facilities;
> (c) To improve utilization of the nation's total manpower potential by making use of the manpower resources of each area;
> (d) To help assure timely delivery of required goods and services and to promote readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available; and
> (e) To reduce the vulnerability of defence related and essential civilian industries to air attack in the event of war.

That last point is, I think, a very important consideration. It is only about a week or two ago that one of the military correspondents, I think it was Hanson Baldwin of the New York *Times*, pointed out this rather ominous fact, that one of the ways in which the Soviet union is gaining superiority over the United States and North America is that it is providing fewer effective aerial targets than we are on this continent, that they have been pursuing a deliberate and conscious policy of dispersal of industry all across the Eurasian continent. Here on this continent, unfortunately, we pursue a rather haphazard policy of allowing industrial development to take place wherever immediate existing economic circumstances cause it to arise, with the result that we have located in the lower Ontario area, as the hon. member for Eglinton pointed out, a concentration of industry which provides an ideal target for aerial attack.

I believe that here we have an opportunity not merely to disperse our industry or to develop industry across the country but an opportunity to do something that our American friends have not done hitherto and that they are now apparently trying to do, a rational reorganization of their industrial potential. I think we have an opportunity that we perhaps could have in no other way of really developing the productive capacities of this country in relation to population, resources and climate in a way in which no nation has hitherto had. I would urge very strongly on the minister and the government that they make this consideration one of their major considerations in the placement of defence production orders, and particularly in the decision as to areas in which there shall be investment in new productive facilities.

The history of the United States shows quite plainly that its modern industrial potential was developed in two major periods, that period comprised in the first world war and the period of the second world war, when enormous expansions and developments of American industry took place under the stimulus of defence production expenditures. It may be of course that informally our government is doing that type of thing, but the Department of Defence Production has received no direction from this parliament to follow out precisely the sort of program that is now being pursued in the United States of America.

Since the session began we have had a series of visits from representatives of the unemployed, who are now such a source of anxiety to us. We have had, moreover, appeals from members from different parts

of the country with regard to the necessity for economic rehabilitation. I have no doubt that the hon. member for Cape Breton South will be dinning the necessities of his part of Canada into the minister's ears before this debate is over. I can think of no better way in which the government could combine the carrying out of its responsibilities for defence production with its more basic responsibility for the material welfare of the whole Dominion of Canada than by giving consideration to the deliberate development of industrial potential in those parts of Canada which are now either declining industrially or have not hitherto had any important industrial development.

**Mr. Hahn:** Mr. Chairman, in taking part in this debate on the defence production estimates I wish to address my remarks to three matters particularly, the first of which is a question of policy. I should like to know how government policy in the matter of purchases differs today from what it was during the war years. I contend that industry has a right to know this. During the war, when we were very hard pressed for materials, goods and production, there was a definite policy of assistance. That certainly saw us through the war and was an excellent measure. The same minister is in charge of the department today. He did such a good job at that time that I was hoping that I could say that he had been able to continue to do so.

Today, however, it seems to be a matter of looking for the cheapest market. I am thinking particularly of an answer I received to a question I put in the house one day respecting the use of British Columbia plywood in the building of keels for six minesweepers that were built at Bellingham, Washington. I finally received the answer. It indicated that an eastern firm had been given the contract, that it had been sublet to a Bellingham, Washington, firm, and that was all there was to it. I am not too happy about such a situation, especially in view of the fact that I understand a New Westminster firm submitted a tender which must have been refused. If it is going to be the policy of this government to buy wherever the market is cheapest, I believe that those men who are particularly interested in building up industry in our country should know about that.

The second factor also concerns policy, but is a matter of a more localized nature. There are very few west coast firms that receive contracts from the defence department. I am given to understand the reason is that our prices are too high. I wonder why that is the case? Is it the cost of labour or are there some particular factors that are involved? I should like to remind the minister that British Columbia dollars are poured into this particular government in some volume. While our bids might be high, on occasion they must be close enough to warrant spending more dollars in British Columbia for defence production than have been spent in the past.

There is one important factor in which I am rather interested in this respect, and that is to what degree have studies been made with a view to manufacturing an article on the western coast instead of manufacturing it in the eastern part of Canada and sending it to the west coast. We know that a good portion of this material must be sent to the west from time to time, and therefore it might just as well be produced at that point. What thought has been given to sending raw materials to the west or to the far eastern coast for that matter, and manufacturing the finished product that might be needed at that point rather than building it in various parts of the country and sending it to either the eastern or western coast. In the explosive world in which we live it could prove most unfortunate, and would be most unrealistic, to put all our eggs in one basket.

The third point I wish to mention is a major one in the minds of members from British Columbia and Alberta. It concerns the construction of a pipe line from the Peace river area in Alberta and British Columbia into the Vancouver district. I noted with some concern, as did most of the British Columbia members, I am sure, the decision of the federal power commission that they would not accept Westcoast Transmission Company's offer to build a line into the Pacific northwest. I was happy to note, though, that there is a 30-day waiting period for reconsideration of this decision. I would urge the minister to give consideration to our request and try to do something as quickly as possible, before this 30-day period is up, to enable this line to be built.

I do not believe that it is proper that the provinces of British Columbia and Alberta should be made to suffer because the Westcoast Transmission people probably did not make as good a case as might have been made in trying to persuade the United States authorities to permit them to supply gas. On June 19, I believe, the hon. member for Macleod sent the minister a question in respect of this problem, and later the hon. member for Vancouver-Quadra raised the question on the floor of the house. I am sure none of us are too happy about the responses we have received. I should like the minister to ask the United States authorities to review

the whole situation with a view to either changing their decision and accepting this Alberta-British Columbia gas or else permitting us to build an auxiliary line into that area to augment the supply from New Mexico. If this attempt fails, then a conference should be called of the provincial governments concerned and the federal government, as well as the authorities who are in charge of investing large sums of money with a view to building the gas line from the Peace river country into the lower mainland of British Columbia.

I have considerable information on this project. I might point out to the minister that as late as April 12 or 13, 1954, a three-day conference was held at Portland by the Pacific northwest trade association. All delegates attending that conference were very anxious to have the gas line run from the Peace river country into the lower regions of British Columbia and on into the states of Washington, Oregon, and down into northern California. If the minister is not aware of it, and I am quite sure he must be, the membership of this particular group reads like who's who in the business world. There were 32 members from trade or gas companies, the British Columbia electric, and so on, from Vancouver; 23 members from Portland, Oregon; 50 members from the city of Seattle; 20 members from the city of Spokane; and there was a supplementary list of upwards of 150 or 200 delegates, all of whom are industrialists in the Pacific northwest.

**The Deputy Chairman:** Order. Perhaps this would be a convenient time to interrupt the hon. member and call it one o'clock.

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**Mr. Hahn:** Mr. Chairman, before the lunch hour I had suggested three alternatives with respect to the proposals connected with the building of this gas pipe line, and I had begun to review particularly what the Pacific northwest trade association had to say respecting the building of this line. Their resolution No. 11 had to do with the extension of the line, and reads as follows:

> Whereas, S.1287 has been introduced in the Senate of the United States and reads as follows: That section 3 of the Natural Gas Act is amended by inserting between the second and third sentences thereof a new sentence as follows: It shall not be deemed to be consistent with the public interest to authorize the exportation or importation of natural gas in any case where the commission finds that such exportation or importation will result in economic dislocation, unemployment, or injury to competing fuel industries in the United States; and
>
> Whereas, this type of legislation would seem to be against the aims and objectives of the Pacific Northwest Trade Association and would set up regulations which would tend to restrict the normal interchange of goods and services between the United States and Canada, and;
>
> Whereas, British Columbia and Alberta may prove to be the most economic sources from which Oregon, Washington, Montana and Idaho can obtain a supply of natural gas;
>
> Be it therefore resolved, that the Pacific Northwest Trade Association go on record as opposing this bill and notify the congressional delegations of Oregon, Washington, Montana and Idaho of this action along with the committee of interstate and foreign commerce of the Senate to whom this bill has been referred.

I consider that a very important resolution in view of the fact that it was passed at that meeting. The resolution, which was passed practically unanimously, was endorsed by the Northwest Pipe Coating Corporation, the Seattle Gas Company, Puget Power Company, Boeing Aeroplane Company, Pacific Power and Light Company, Portland Chamber of Commerce, Portland Gas and Coke Company and the Eugene Water and Electric Board.

You will note that practically all the firms having to do with power in the Pacific northwest, including our own from British Columbia, were very interested in having this gas legislation passed as proposed.

Now, I would not go as far as the Vancouver *Sun* has gone in its editorial of June 19 of this year, in suggesting reprisal action; but I think that sometimes it is necessary to suggest what action we might take to reciprocate in respect of their thoughtless treatment of our request that gas be piped into the northwestern United States. On the point the *Sun* has this to say:

> Ottawa must demand immediate reconsideration by top U.S. administrators of the perverse ban clamped on B.C. natural gas entering Washington and Oregon by the U.S. federal power commission. Our government should bluntly remind Washington, D.C., that Canada could play at economic nationalism to great U.S. disadvantage.
>
> Ottawa could point out that B.C. is in no mood to harness its Columbia river water to supply desperately needed hydroelectric power to the U.S. northwest when FPC can't trust us to serve gas consumers fairly in the same area.

I would like to remind this government, particularly the minister now before the committee—because he was minister at that time—that when the Anaconda mine required a large supply of natural gas there was no question of the fact that Alberta could supply the gas in the quantities required. Nor was there any suggestion at any time that the supplier might be unreliable. At the time the request was made to supply the Anaconda mine in the United States with gas, that line was built and the export permit was given.

There has been no difficulty in so far as the shipments of gas are concerned into that part of the United States.

The transportation of gas is so important in the defence set-up of the Pacific northwest that, if we are going to try to keep our industries in operation, it is important that this exchange be continued. As I said earlier, I would not go so far as to suggest that what the Vancouver *Sun* suggests by way of reprisal should be endorsed by parliament. However, I think it should be drawn to the attention of the United States authorities that the two of us can very handily play at the same game.

The following is a press report which has since been substantiated by the fact that we could not send our gas into the United States. The following appears in the Vancouver *Province* of June 19, and refers to one of the larger consumers of the product in Portland. The press article says:

> Charles Gueffroy, president of Portland Gas and Coke Company, Portland, Oregon, biggest potential customer, said his company will not sign anything but a "pay as we use at an agreed price" contract with Pacific Northwest, the winning pipeline. "Without our contract I doubt if Pacific can get financial backing," he said.
>
> Mr. Gueffroy said the decision "injected unfortunate international aspects and I predict that even the White House will take note of it."

It can be seen from this one large consumer just how essential it is that a gas line should be built. I know our minister is well aware of the situation. He is aware of the fact that it is very necessary to the people of British Columbia, if we are to carry on the industrial development we have been expecting to carry on. I believe he knows of the development that is taking place in my own riding, where some $70 million is being invested by a British syndicate looking after the estate of the Duke of Westminster. That site alone will probably account for some 80,000 families in that riding in the not too distant future, when the ultimate goal of complete industrialization is reached.

The matter, of course, has to do entirely with policy. And I come back to that, because I feel that to a certain degree our government has been neglectful of letting our policy be made known to the Americans, particularly when they expect us to help them. When they expect that, then naturally we expect that they will give some help to us. This matter of trade, whether in connection with gas for defence purposes, or for any other purpose, is a very far-reaching one. A policy whereby we allow Texas gas to enter the Niagara peninsula for only five years might well have its effect upon the Pacific Northwest decision made by the commission, because we have given our approval to bringing gas into that area.

By the same token I think we should expect further consideration from the proper authorities in the United States, when we bring to their attention the far-reaching effects on our defence production alone, if for no other reason. The same is true of the United States. We should bring to their attention the far-reaching consequences of this matter on our defence production alone if for no other reason than that the safety of the United States and of Canada might well depend upon this gas.

The hon. member for one of the Kootenay ridings mentioned the other day the steel industry that he hoped would be built in his riding. Certainly, anyone who knows the worth of steel and the fact that coke and coal are found in the region, together with gas, which could be supplied to that region, knows that it would be a tremendous boon to that area. It is more essential to bring this about now than ever before. I request the minister to try to get in touch with the proper authorities in the United States with a view to getting them to change their decision in respect of bringing gas into the northwestern United States. Let us build our line. If that is impossible, then give us the assurance that the United States people will use our gas to supplement their own. If that is not done, then the third proposal should be undertaken. We should go ahead and build a gas line from the Peace river country into the Vancouver market with the help of Canadian industrialists and investments by the public, as well as the help of the government of British Columbia.

**Mr. Green:** On Saturday last I asked the Minister of Defence Production a question with regard to this decision which has been made by the United States federal power commission, and he gave a satisfactory reply. I realize the minister is just as much concerned about overcoming this difficulty as are those of us who represent constituencies in British Columbia.

Since Saturday I have had an opportunity to read the west coast press and I think I can say without exaggeration that there is great concern, great worry there over this situation. In any event, I have never seen the press upset so quickly as they have been over this particular decision. As the minister knows, the opening up of the Peace river district of British Columbia and Alberta is dependent to a very large extent on the possibility of exporting the gas. If no way is

found by which that gas can be got to market, then the development of that northern portion of Canada will be delayed for a generation. That will be particularly tragic, because much of our danger comes from the north. If there ever were an attack on this country it would come from Siberia or over the pole, and that northern country is of the utmost importance from a strategic point of view as well as in many other ways.

As far as British Columbia is concerned, there has been a great deal of publicity about natural gas being available. That publicity has been going on for several years, and to a remarkable degree the people have the idea that the economic development of the province depends to quite a large extent on getting gas from the Peace river. It is felt there that every part of the province would benefit; of course the central part of the province would, including such centres as Prince George and Kamloops. Then, there is the Okanagan valley and the Kootenay country where the Consolidated Mining and Smelting Company is located at Trail. That company would be as large a consumer of natural gas as greater Vancouver. Down in the lower mainland of the province the British Columbia Electric Railway Company has been planning to use this gas, and many schemes have been on the drawing board which are based on the use of Peace river gas.

I believe it would also be possible to pipe the gas over to Vancouver island, and there it would be a fine source of power. They have not too much electric power there, and the natural gas would be of great benefit.

I notice in the press that the former premier of British Columbia, the Hon. Byron Johnson, said that he had in mind the provincial government taking part financially in the construction of this natural gas pipe line from the Peace river, in the event of the decision of the United States federal power commission being unfavourable.

I had not realized that before, but I think that he had planned to provide over half the capital for the construction of such a line. The present provincial government is very deeply committed to the project. I fancy that it too would be willing to help in the construction of a line.

I believe that if a line were built now it would not be very long before the Americans would be scrambling to get the gas. It could be finished before the line from the San Juan basin comes through, and apparently the reserves in that area of the United States are not very extensive. I was given that impression by a statement made by one of the directors of the Westcoast Transmission Company as reported in the Vancouver *Province* of June 18. I refer to Norman Whittall. He had this to say:

> If Canada "goes it alone" on the natural gas pipeline from the Peace river, the United States will ask to come in, said Norman R. Whittall, one of the chief figures in Westcoast Transmission Company's battle for the line.
>
> "We should build a 24-inch gas line to Vancouver, irrespective of anything else," he commented when informed of today's turndown by the United States federal power commission.

I believe the original plan was to put in a 24-inch line. The article continues:

> The citizens of British Columbia should support the project and the government should guarantee the bonds. It is only a matter of time until there will be so much pressure from an educated American public that federal power commission will be forced to upset its ruling. Gas reserves of the Pacific Northwest Pipeline Corporation are not sufficient to supply the potential market in the Pacific northwest area of the United States."

I believe the main objective now is to see that the construction of a pipe line is not unduly delayed. It would be vital for defence production on the west coast as well as being vital for the development of the north country and of the province as a whole. I realize that on Saturday the minister said he would do everything he could to help get this situation remedied, but I have been wondering whether a project of this kind would qualify for capital assistance under the minister's department. It may be that such would not be the case, but I ask the minister whether he would be willing to have a complete investigation made of the situation just as soon as possible after the house rises. I know I do not need to ask for his assurance that he will do everything within his power to see that this project goes ahead.

We have lost the first battle, but we have not lost the war. I believe this scheme is so important to the future of Canada that some means should be found of bringing about the construction of the line through co-operation of the people interested and of the provincial government; and whatever help can be given by the dominion government should be made available. Could the minister say whether this would be a project which could be made eligible for capital assistance under the vote in his department?

**Mr. Howe (Port Arthur):** Mr. Chairman, it does not come under any of the rules governing capital assistance about which I know. I might say that the policy for the sale of western gas is made in the west and not, I am sorry to say, in Ottawa, because I think we might do a little better. There has always been a theory advanced that the best market

for western gas is in the United States, and a great exponent of that theory is the hon. member for Calgary South. I believe his views are shared by the premier of Alberta. That theory is that all we have to do is to deliver the gas across the international boundary and it would be snapped up immediately. I have thought for a long time that the sponsors of this project were taking rather a long shot in attempting to serve that particular market by gas from the Peace river area. I felt that the other applicants who proposed to take the gas from southern Alberta should have received more consideration than they were given in this house. I remember that my hon. friend himself led a filibuster during two sessions of parliament to prevent those proposals receiving consideration in this house. I felt that a supply from southern Alberta would have had a much better chance of entering that market rather than a pipe line from northern Alberta. All I can say for this government is that we have done everything we possibly could to see that western gas was made available and done all we could to help the marketing of that gas. I believe in doing everything to develop our economy and the use of our natural resources to the best advantage. I have long maintained that the best market for Alberta's gas is in Canada, and that the greatest contribution that gas could make to the economy of any part of the country is to find markets for it in Canada. That is what we are attempting to do.

I would point out that we had to wait two years after the first application for export to the United States was granted before we could get permission to export gas to eastern Canada. We obtained that permit during the last two or three months and that is a project to which I think the government can give some assistance. As both projects were started by others and controlled by others, and for which the permits are given by others it has been very difficult for this government to get a toehold to an extent that we could be really useful.

I think I am as interested as anyone else in making sure that Canada develops to the fullest extent possible using all her natural resources, and I am very sorry indeed that that gas in the Peace river area is going to be tied up for some time at least. However, I think the decision to bring in gas from the San Juan basin is only a temporary hold-up because I believe there is not enough gas in that area to supply the domestic users and there is nothing available for industry. I presume there will in time be a demand for northern gas if it is then available, but the difference is that the franchise for the area has been given to the United States company and I presume the Canadian company will be required to deal with that company rather than deal directly with the consumers, which I think will be unfortunate.

**Mr. Green:** Is it a fact that the bulk of the gas in the Peace river district is in British Columbia and not in Alberta?

**Mr. Howe (Port Arthur):** I think the larger quantity of the gas as committed to this particular project lies in Alberta, but a good part of it lies in British Columbia, and I dare say more drilling would disclose more gas in British Columbia. I therefore think it would be correct to say that the supply is in both provinces.

**Mr. Fulton:** When we asked the minister about this matter the other day he said that there would be no obstacle at this end in the way of making arrangements between west gas and the Pacific Northwest company. I just wish to briefly support what has been said here by the previous speakers as to the importance to the development of our province of finding an outlet for this gas, and I should like to ask the minister whether I am correct in my understanding that up to the present time it has always been considered that the logical outlet for Peace river gas was the Pacific northwest. Can he tell me if that is still the case? While I know we cannot say whether a private company will make a deal with another private company, and certainly there is no way in which we can or should compel them to do so, is it not obvious and logical, when you have gas bursting the wells—I do not want to exaggerate it—and we are told the Pacific northwest area of the United States has a growth potential considerably in excess of that which can be supplied from the San Juan fields, that such an arrangement would be a practical and desirable one, and that the two companies should get together and work out an arrangement for a supply fitting into the grid for which the United States company now has the franchise to put in available Peace river gas so that the demands of that area would be met and the gas come down through our province? It seems to me the interest of both countries would then be met, and the potential shortage of gas in the Pacific northwest would be supplemented by gas from the Peace river area. The interests of British Columbia as an entity would also be served. I do not want to ask the minister to be a prophet, but I would be interested in knowing whether that strikes him as a logical and desirable plan.

**Mr. Howe (Port Arthur):** I do not think I should comment as to what would be logical and desirable. The Westcoast Transmission Company has an export permit for a certain quantity of gas from that area and certainly this government will take no action to interfere in any arrangement that may be found possible to provide for the disposal of that gas in the United States. But I might add that I am not sufficiently familiar with all the facts and therefore I do not like to comment.

**Mr. Gillis:** Mr. Chairman, I am not going to pursue that subject because gas, like coal, is in a difficult position owing to the lack of a national fuel policy, and some day hon. members will begin to understand that. I am going to discuss the minister's estimates and his report on defence production. Before I do that I want to assure the minister that I am not unmindful of the difficulties that exist in getting any kind of equality either in the manufacture or in the styling of material across this country. Take the geographical difficulties and the B.N.A. stop blocks, mix a little bit of selfishness, and you have a combination that is pretty difficult to sort out.

But I was glad this morning to hear the hon. member for Eglinton, who lives in central Canada, take a national position in the matter of getting a more balanced economy, and I was also glad to listen to the contribution of the hon. member for Nanaimo, who is from the far west.

This Department of Defence Production is not only a defence department but a purchasing agency, and as I see it this department could be a nucleus for a very useful instrument in the whole economy of Canada. In reading over the functions of the department as outlined in the report, it looks to me that this is in effect a planning commission that has to do not only with the buying of material for defence but with assisting industries necessary to defence. In that way, if it had the authority to do so, it could have the function of correcting a great many things that are maladjusted in our economic set-up today in Canada. I hope that some thinking will be done along those lines.

For years since coming into the House of Commons I have been moving a resolution in the house with regard to the need for the decentralization of industry and pointing out the overdevelopment in the centre of Canada arising out of the last war. It is that overdevelopment in industry that has set off a search for power in the central provinces. There the industries developed themselves into a black-out for some years during the war and after it.

If hon. members are reading the press they will realize that today in the United States those who are advising on national defence are urging the United States industrialists to, as it were, free the economy by decentralizing their industrial set-up, particularly their defence plants. That is something that is more necessary in Canada, I think, than it is in the United States. With the industrial development we have in Canada today, two atomic bombs could knock out the whole set-up and you would have, east or west, nothing to supplement it. I think it is nearly time that we began to think along those lines. This is the department which could do something, with the functions they now have of practically organizing industry necessary to defence and of purchasing defence requirements. In fact, the minister is spending most of the money that is appropriated for national defence. I think some thinking is necessary along the lines of decentralization not only to make for a better balance in our economy but as a means of protecting ourselves in the event of war. Nobody is sure whether war may or may not come. In considering our whole defence set-up, I believe that some thinking is necessary along the lines of decentralization.

The minister's report, at page 16, points out that the largest portion of Canada's defence orders, $223 million, was placed in connection with aircraft and so forth. I am not going to read that portion of the report. However, it clearly points out that practically all the money spent for national defence is spent through the minister's department. Then again, in the estimates at page 154, I think you will find the answer as to why most of the development in defence plants, contracts and so forth has taken place in the centre of the country. If hon. members will look at page 154, they will see in the details of the estimates a section captioned "Officers on Loan from Business and Industry for which Salary Provision is not required". In that group of officials of the minister's department you will find mentioned the positions, without names, of directors, assistant director, associate director, deputy director, other assistants, advisers and consultants and so on down to a legal adviser.

That was the kind of set-up we had all during the war. When we were building industry after industry mostly in the central part of Canada, the planning at

that time was done on behalf of the government by dollar-a-year men. They were men who were taken in from the large industries across Canada. It is only natural—it is only human nature—that, if an official is in a position of spending the taxpayers' money for the purpose of expanding an industry, creating an industry or selling a commodity, he is going to think of his own plant or firm. I think that was the main reason why you had during the war in the centre of the country a lop-sided development in our industrial creations.

In the spending of the $2 billion that is indicated in these estimates for the creation of industry and for defence purchasing these officers or men in positions of direction at this time—in every field, from the legal fraternity down to the economist, the consultant and the contract expert—are all on loan from some industry, I presume, from the centre of Canada. Before consideration of his estimates is concluded, the minister can tell us who make up that personnel and where they come from. In my judgment it is personnel of that kind who are not particular as to how the economy is protected or what kind of development takes place as long as the firm or plant for which they work is looked after. They are not in here for nothing. They do not live for nothing. Someone is paying their salaries. The someone they are thinking of and working for is the someone who is paying their salaries. I am reasonably sure that not many of these directors, consultants, legal advisers and contract experts came in here from Nova Scotia—

**Mr. Howe (Port Arthur):** Many of them came from Nova Scotia.

**Mr. Gillis:** —with the exception, of course, of the minister's parliamentary assistant; and of course he is only one man and it is rather difficult for him to watch the whole crowd. As I say, in my judgment that is why we did not get a balanced economy in the country. This is one matter that might be given consideration if the minister's department is going to continue as it is. I hope it will continue because, as I said previously, this could be a good nucleus of a planning commission that could take under consideration many of the problems that are created today because sufficient thinking has not been done about them.

Again, at page 38 of the minister's report there is another item that provokes my thought and supports exactly what I was saying a few moments ago. At page 38 of the minister's report there is a section with the caption "Small Industries Division" and at the bottom of the page there is this paragraph:

> Much of the educational and liaison work of the division was completed during the year, as most companies interested in securing defence orders had made their facilities known and understood the policies and procedures followed by the department. As a result, the district offices were closed down at the end of the year and the Ottawa staff was reduced to two industry relations officers.

That suggests to me that the dollar a year men of the big industries, or those fellows who were working for nothing, were quite satisfied in planning the work of the department that there was no need of small industries in this country, that the big ones could take care of everything and if they were not big enough they could be expanded. There are many parts of this country where small industry is not only needed but the economy is in desperate straits because industries are dying. The report of the department says that they have been turning out all kinds of guns, machine tools and other equipment for the NATO countries. That equipment goes to Europe. The shortest route to Europe is from Sydney, Nova Scotia. There is a huge steel plant there. I have never been able to understand why, under such a set-up as that of the minister's department, some of the materials for the NATO countries are not manufactured in that part of the country where the raw steel, iron ore and labour are available.

It is right at tidewater. I never could understand why these things are manufactured in central Canada and dragged all the way across the country to be shipped instead of being manufactured in that part of the country and shipped from there. As I said when I began, with a little bit of selfishness and the geographical difficulties and the difficulties created by the British North America Act, you have got a pretty tough combination. I think it is that little bit of selfishness that keeps everything centralized in Ontario and Quebec because logically and economically the place to manufacture and ship equipment for the NATO countries is in the maritime provinces.

I can understand risk capital not going in there, but I cannot understand a department like the minister's, which is investing the taxpayers' money, placing industry that is going to turn out that kind of equipment in the most illogical part of the country where the products have to be dragged across the country to the sea to be shipped. In many cases the raw material is taken from that part of the country, processed in the central provinces and the finished products are then transported to Halifax, Montreal or Sydney

to be shipped. I am pretty sure that if the minister were doing that kind of planning for himself it would not be done that way.

But I am afraid that much of the planning, as I said before, is done by people who are interested in maintaining the kind of set-up we have in Canada today, with centralization of everything in the two central provinces. Let me give the minister two examples of the attitude: "We are not particular what happens in other parts of the country as long as we are selling our own commodity". I asked the Minister of National Defence a question yesterday with respect to the large naval base at Sydney, Nova Scotia. There is a steel plant within half a mile of the base, and at that steel plant there is a large wire and nail mill. At the present time at least 50 per cent of the people usually employed in that nail mill are unemployed. Why are nails dragged from Hamilton, Ontario, for use on that naval base at Sydney, Nova Scotia? Why could they not have been bought half a mile away? They could have been purchased more cheaply because you would not have the freight rate to pay for the long haul from Hamilton to Sydney.

That is merely an example but it is a very pertinent one; because, if that is what goes on with respect to a small purchase like that what takes place when the contract runs into millions of dollars?

The second example I wish to bring to the minister's attention has to do with the heating of national defence buildings. I have a couple of their requisition forms in my hand. The armouries at Sackville, New Brunswick, are located within a few miles of the coal mines at Springhill, Nova Scotia. Up until 1953 these armouries were heated by coal purchased from the Springhill area at a cost of $16.50 a ton.

When the contract was sent out in 1953 the dealer in Moncton, New Brunswick, who supplied the coal was told that in the future he had to supply anthracite coal from the United States. He wrote and said that it was rather difficult, that he would have to bring it in in small lots and it would be difficult to handle it in that way. Do not forget that the use of anthracite coal increased the cost of heating the building over 100 per cent. It cost $35 a ton while the other cost $16.50 a ton. But that switch was made. I should like to ask the minister if the person who prepared that form and sent it out was not more interested in promoting the sale of United States coal than he was in maintaining some market for an industry that was in very serious economic difficulties at the time.

These are only two examples, nails and coal, and these things took place in a section of the country where, as the minister knows, unemployment is perhaps more serious than in any other part of Canada. Both the provincial government and the people of the province have pointed out that they face a crisis that is beyond their control, but even with respect to such small items that part of the country was ignored and forgotten. In the light of these two small examples, I am reasonably sure that the same thinking runs through all the planning of the purchasing of defence requirements, the letting of contracts and so forth.

I am not saying this by way of criticism. I am bringing it to the minister's attention now because there is a lot of money still to be spent on national defence, and national defence is going to last as long as we last. One of the best means of civil defence that I know of today is to try to get those who are planning our defence production requirements to think in terms of not putting all our eggs in one basket and concentrating practically all our production in eastern Ontario where it can be knocked out with one bomb. What I have suggested is in my opinion one of the best means of civil defence that I can think of at the present time. In addition, it would at least mean a livelihood to people in sections of Canada which are at the crossroads today unless something is done.

I am not going to say any more. I want the minister to do some thinking about this matter because I am convinced that men do not enter the service of the government from Canada Packers, National Steel or any of these other industries for nothing. There is remuneration somewhere. They are working for somebody who is paying their salaries, and their planning will be done in accordance with the best interests of the people who are paying their wages.

**Mr. Howe (Port Arthur):** I think I should reply to this immediately. I am disappointed in my hon. friend. I have heard him make some very able and fair-minded speeches in the nineteen years we have sat in the House of Commons. I can hardly believe that he thinks that people offer their services and their services are being accepted with the sole thought that they will promote the interests of their own particular business. That is the statement he has just made. In the first place people do not offer their services. We have to go out and find them, make arrangements with their companies and beg them to come here. In the second place, never in all my experience with men borrowed from industry have I known these men to help their own industries deliberately. In fact they usually lean backward. If there

is not enough business to go around in the industry, they usually say: Fill the others up and our people will do the best they can. That has been the attitude in my experience. My hon. friend has suggested the only reason the maritime provinces are not full of defence plants is that we have selfish people in Ottawa who prevented the plants going there.

Let us analyse that statement. When we find something to be manufactured, we first look to existing industry to carry out that operation. The only reason that we sponsor new building at all is that existing industry has not sufficient capacity to produce what is required. You say, if the industry has not enough productive capacity, why not move a plant to Nova Scotia and build there? The difficulty is that it requires some specialized skill to be able to produce most things that are in short supply. In the first place, someone must know the kind of plant that is required, the kind of equipment that is required, and must have the nucleus of an organization. At least, they must have skilled and experienced engineers, operators skilled in management of that particular enterprise, then they must draw on a nucleus of skilled labour in the area. You cannot attract that kind of labour from one area to an area where the workers have every reason to believe the plant cannot exist under highly competitive conditions.

You have those factors to consider. I suggest we have not neglected the maritimes, and have taken there all the industries we could take. I will tell the hon. member one of the worst mistakes I ever made in planning industry was to put up $5 million to help in the construction of a plate mill at Sydney. This plate mill operated for two or three months, and when the war was over it was broken up and dispersed; that was the last of the plate mill and the last of the government's $5 million. It is quite useless to establish industries to do a war job that cannot exist under normal conditions. It does not do the district any good. True, it provides employment for a short time, and spreads around some money for a short time. But the fact the plant is standing there idle does more harm to the area than if the project had never been started.

What have we been able to do for the maritimes? I am rather proud of the fact I persuaded an English aircraft manufacturer to establish himself in Halifax. Our Canadian manufacturers were not willing to do that. We had tried to get several of them to consider establishing an aircraft plant at Halifax. However, when the Fairey Aviation Company came out, I happened to see them before anyone else did. I particularly asked them to take a good look at Halifax, because I thought they could do very well there. They did that, and as my hon. friend knows, that company has established a very substantial industry in Nova Scotia.

We had an opportunity to help establish an electronics industry in the maritimes, too, but that is not doing so well. It has created considerable employment, and I am very hopeful that it can survive during normal times. The hon. member has talked about a shipyard in Cape Breton. I do not remember any shipyard in Cape Breton before the Department of Defence Production started to function.

**Mr. Gillis:** It is a naval base.

**Mr. Howe (Port Arthur):** A naval base; nevertheless it was built by the Department of Defence Production. I hope it will be a substantial industry. The Ferguson shipyards are there, but that is a small operation except for the contracts from the Department of Defence Production. Amherst has a substantial industry. We kept that industry busy when the department of munitions and supply was functioning, but when the department went out of business, the industry closed down. When the Department of Defence Production started to function, the industry opened up and is now a substantial employer of men. I think if the hon. member will look around Nova Scotia, he will find that the department has supported existing industry and has brought in any industry willing to go to the maritimes and capable of surviving after military requirements had been provided for.

When it is suggested that the men in the department here tried to locate those industries somewhere else, I assure the hon. member that if they had not worked to establish industry in the maritimes, none of these industries would have been in Nova Scotia today. It has taken the loyal cooperation of every man in the Department of Defence Production to see that those industries were located there and to see that they have been brought to the state of prosperity they are enjoying today.

The hon. member has spoken of two examples of malfeasance, if you like, on the part of the department. One concerns these nails. I should like to know how many nails? Did the hon. member count the kegs? The fact of the matter is that nails are sold everywhere. We have a nail plant in Sydney, Cape Breton; we have a nail plant in Hamilton and we have a nail plant in Vancouver. I can assure him that Sydney nails are sold in Vancouver, and

I have every reason to believe that Sydney nails are sold in Hamilton. I am certain the Steel Company of Canada offer nails for sale in Sydney and in Vancouver as well. I do not believe the Vancouver plant reaches down that far because it is a small operation, not associated with a primary producer.

These nails are undoubtedly on sale in hardware stores. A man might have needed a keg of nails, and while waiting for a shipment may have gone into a hardware store and bought a keg of nails without paying too much attention to the label on the barrel. They might have been shipped out of naval stores and routed in there incorrectly. It is the policy of the department not only to pay slightly more for products coming from the maritime areas or provinces not having substantial industry, but to go to some trouble to try to build up those areas. It is our policy, on an even break, to always buy from the operation nearest to the consuming plant. I should like to know more about those nails. I have asked our general purchasing department, but they can find no trace of any order of Hamilton nails for Sydney.

**Mr. Gillis:** I saw them.

**Mr. Howe (Port Arthur):** How many did you see?

**Mr. Gillis:** I have seen ten or fifteen kegs.

**Mr. Howe (Port Arthur):** That may be a lot of nails in that particular operation, but it is not a great many nails. I suppose they are worth about $5 a keg, something like that, and that would be $75 worth of nails.

Then the hon. member spoke about coal at Sackville. He has been told about that. We get the specifications from the Department of National Defence. It is the privilege of that department to write the specifications for what they require, and our department purchases as requested. The specifications came over calling for anthracite coal for that particular armoury. They were processed through the department. I think these specifications should have been called to someone's attention. The complaints came in, and it was called to the attention of the Department of National Defence. They admitted the mistake, and the next coal that is ordered there will, of course, be local coal. I presume when you are buying a billion dollars worth of supplies a year, mistakes will happen. I have been rather happy they have not been great in number, but that was undoubtedly a mistake which is being corrected.

**Mr. Gillis:** I am glad that I deliberately made my talk provocative.

**Mr. Howe (Port Arthur):** You should not accuse people of being dishonest. Not dishonest, human.

**Mr. Gillis:** I wanted the minister to say something about these things, and he would not have paid any attention to me if I had not made the talk provocative.

There is one thing I want to tell the minister. You can find skilled personnel in that area for any plant you wish to establish. You can find electricians, mechanics, machinists, machine tool makers, and you will find a lot of them in the Cape Breton area who are not working. In so far as the plate mill is concerned, that mill was built twice. I am not blaming the federal government for all the disabilities of Nova Scotia, because in my judgment the provincial government is about 50 per cent responsible. The other 50 per cent could be shared between the federal government and Dominion Steel and Coal company.

That mill was built twice, you know. It was built in the first war at a cost of $11 million, and never produced a thing. Then, all the machinery from the mill disappeared. I think if anyone looked around he would find it over at Ojibway falls in Ontario. I know the story very well, and I know the minister does, too. Because it was I who urged him to get some guts into the mill when the second war started. And he did. He equipped it as a modern, up-to-date mill, employing 600 people, and all were trained personnel. It was doing a good job while the federal government was in the shipbuilding business. But as soon as the war was over and the federal government went out of the shipbuilding business there was no further market for that plate.

At that time we were importing 90 per cent of our steel plate from the United States. Why Dosco did not maintain that mill is not hard to understand. They have a mill somewhere else; and you subsidize the raw material coming up.

**Mr. Howe (Port Arthur):** Dosco has no other plate mill.

**Mr. Gillis:** Well, it may be raw material. I just do not know why they did not maintain that mill. The question may be one of raw material. They may be supplying their own fabricating plant up here with the raw material they are turning out. Nevertheless there was a market in Canada for steel plate.

I questioned the minister in the House of Commons, and asked him if he would be willing to hand that mill over to the provincial government to operate as a crown company. The minister was fair about it; he said that he would be; but the provincial

government did not have any intention of going into the business. So that 600 men were laid off from that mill, and it went out of production. The equipment that was in the mill is now over behind the iron curtain. That mill as a matter of fact was sold to Czechoslovakia.

I suggest that is not a very good example. It was a case of complete neglect and stupidity. I am not blaming the minister for it, because he did try to get someone to use it. However, that is the story about that mill. Before the minister's estimates are completed I wish he would tell us about these advisers, consultants and experts—some 16 of them. I do not want their names, but I would like to know where they came from and what companies they represented, just to see how many of them are from Nova Scotia.

**Mr. Howe (Port Arthur):** I think that has been filed with the Clerk. If my hon. friend will look up the records of the House of Commons, I believe he will find that information.

While we are discussing scandals, perhaps I might clear up this other scandal. I will not name the firm these documents refer to, except to say we have made no sale of bearings to this firm during 1953 or 1954. I think perhaps if we go farther back we will find we never made a sale to the company. But there was a sale of bearings to a Quebec company in November of 1953, out of London, Ontario, and included in a long list of spare parts were a few bearings—not many. And that is the only sale of bearings we can find—and it had nothing to do with this Ontario company. I might say—

**Mr. Fleming:** I suppose it is possible they might have acquired them from the person who purchased them from Crown Assets?

**Mr. Howe (Port Arthur):** No, they get them from all over the world. That is one of the largest parts companies in the empire. We had a case not long ago, where they were doing business abroad, and we said that they could not take the business because they were exporting United States parts through Canada. They showed they bought the parts in Europe, and brought us invoices from all over Europe to show where they had collected them. But they have never bought bearings, so far as we can find, from Crown Assets Disposal Corporation. We called for tenders for certain bearings, as my hon. friend said, and this firm turned up 42nd in the list of offers. There were 41 firms quoting lower prices on that particular list than did the firm he mentioned. So I suggest that perhaps the scandal he scented there is not present.

[Mr. Gillis.]

**Mr. Fleming:** Well, the quotation by this firm in question has nothing to do with the point. The point I made is that at the time when the government was purchasing these bearings—and there is no trouble about identifying them, because the designating number of each is given—this company apparently was selling bearings of the same kind. While it may not be certain that these latter bearings had come from Crown Assets Disposal Corporation, obviously they had come through either Crown Assets Disposal Corporation or its predecessor, War Assets Corporation.

**Mr. Howe (Port Arthur):** No; they probably obtained them from the disposal corporation in the United States, which is a quite separate operation from anything we run. They certainly did not buy those bearings recently either from Crown Assets Disposal or from its predecessor, War Assets Corporation. I can assure my hon. friend of that. But I think the probable explanation is that they bought them in the United States and imported them.

**Mr. Fleming:** I gather the minister is indicating that his inquiry has gone back over 1953 and 1954. What about—

**Mr. Howe (Port Arthur):** These particular bearings were a late model.

**Mr. Fleming:** I beg your pardon.

**Mr. Howe (Port Arthur):** The particular bearings we are talking about were a late model. Bearings become obsolete.

**Mr. Fleming:** Has an inquiry been made prior to 1953?

**Mr. Howe (Port Arthur):** We are told there is no recent record in Crown Assets Disposal Corporation of the contractor having bought roller bearings at any stage.

**Mr. Fleming:** I accept the minister's statement, of course; but what I am concerned about is that someone else made a purchase, and then delivered over to this dealer. I expect that some of these purchasers who were doing business with Crown Assets Disposal Corporation did their business through agents, and were not necessarily making purchases in their own names.

**Mr. Howe (Port Arthur):** We can find only one sale of bearings, and that was a clean-out operation at London. Naturally when we clear up a plant, instead of going shopping with three or four bearings individually and finding a market, we offer job lots. And there are people who buy in job lots. This particular job lot is the only one we have

been able to find that had bearings in it. And, as I say, it went to a Quebec firm.

**Mr. Fleming:** What is the date of it?

**Mr. Howe (Port Arthur):** November 1953. There were only a few bearings.

**Mr. Hansell:** I wonder if I might ask the minister a very simple question. The answer may not be quite as simple as the question. I am wondering where the minister's department, the Department of Defence suggest this has nothing to do with the Department of National Defence in the location and building of various defence projects.

My question is based upon a telegram received this morning from the hon. member for Cariboo. This telegram was sent to the hon. member for Peace River, the leader of this group, and is as follows:

> Could you ask ministry in view of prospective transfer of R.C.A.F. western headquarters from Vancouver and strategic importance of Prince George in northern defences, will ministry say whether consideration will be given to transferring headquarters to Prince George. Is ministry aware of advantages of Prince George airport?

**Mr. Howe (Port Arthur):** That of course is a matter entirely for the Department of National Defence, as to where it has its headquarters. As far as procurement goes, it is the function of the Department of National Defence to say what it wants, furnish the specification, determine the place of delivery and the time of delivery, and to make the money available by a financial encumbrance. After that it is the function of the Department of Defence Production to determine how the material will be procured and where it will be procured, and all factors of that kind.

**Mr. Hansell:** The proper procedure then is to call this matter to the attention of the Minister of National Defence.

**Mr. Howe (Port Arthur):** That is right.

**Mr. Dinsdale:** I was interested this morning to hear the minister announce that it is his intention to place the Department of Defence Production on a more permanent basis. Its activities have assumed such proportions now that this development is very important and necessary. I know it will bring much satisfaction to the aircraft industry especially which has been uncertain as to its future in the economy of this country. At the same time I was disappointed a few months ago to learn that the small defence industries branch of the department was winding up its affairs. It is this particular aspect of the departmental activities that I wish to say something about this afternoon.



Is this branch of the department winding up its affairs because it is felt that its program has been completed, or does the reason arise from the fact that the Department of Defence Production has found it is impossible to work out the original purpose of the small defence industries branch? I have the feeling that the latter reason must be the one because, as I said, the small defence industries branch was initiated to assist in the work of decentralization of defence industries. We have had several dissertations on this theme during the discussion today and no doubt there will be more before we wind up our discussion this afternoon. As I see the effects of the operation of the small defence industries branch, I cannot come to the conclusion that it has had the desired effect, at least in my part of the country, that was originally intended. I would appreciate very much if the minister could indicate why it has been decided to discontinue the work of this important branch.

I sometimes wonder if the minister has come under the influence of the myth that so far as industrial development is concerned the west is catching up with the east. That is an idea that is very frequently put forward even in well-informed circles of this country. In fact I have even heard it from some of my fellow members from the province of Manitoba.

During the budget debate I referred to some statistics which indicated that the reverse was the fact. That is, that rather than catching up, the western provinces are actually going farther behind. The boom that they are enjoying, in comparison to the economic boom in Ontario and Quebec, is a relatively minor one. On June 18 I received a parliamentary return which brings these figures up to 1953, and I note the same trends are continued. I asked for the statistics of total new investment in manufacturing, the number of new post-war manufacturing plants and the employment resulting from the establishment of those plants as well as the total production figures, and I see that in each case the trends are strongly in favour of the large central provinces of Ontario and Quebec.

In view of the fact that I have had several members ask to see these statistics, I am wondering whether I can get the permission of the committee to have them placed on the record.

**Mr. Howe (Port Arthur):** What are they?

**The Chairman:** Has the hon. member permission to place them on *Hansard*?

**Mr. Howe (Port Arthur):** What exactly are these statistics? Read a few until we see what they are.

**Mr. Dinsdale:** All right. I will give some examples. I did not want to take up the time of the committee to read these statistics. In regard to the first question, the total new investment in manufacturing is presented for the years 1947 through to 1953 inclusive. It covers each of the provinces. I will give as an example the figures for 1953. In Newfoundland the new investment was—

**Mr. Howe (Port Arthur):** Mr. Chairman, I suggest this has nothing to do with the Department of Defence Production. That is overall new investment.

**Mr. Dinsdale:** Yes, it is the total.

**Mr. Howe (Port Arthur):** We are not responsible for all investment, just defence investment. I do not see why my hon. friend should be permitted to put that on *Hansard* in a debate on the estimates of defence production.

**Mr. Dinsdale:** I believe the figures are included in the statistics.

**Mr. Howe (Port Arthur):** They may be buried there. If the hon. member wishes to select those—

**Mr. McCann:** Is it an answer or an order for return?

**Mr. Dinsdale:** It is an order for return. May I read them?

**Mr. Howe (Port Arthur):** Mr. Chairman, if you are interested in hearing all about other kinds of investment in Canada you may permit him to put them on *Hansard,* but it has nothing to do with the estimates we are discussing. I do not think my hon. friend should clutter up *Hansard* or take up the time of the committee with something that is irrelevant.

**The Chairman:** The hon. member apparently has not unanimous consent to place the statistics on *Hansard.* Therefore, he may not do so. I will allow him to read only those statistics which have to do with the Department of Defence Production.

**Mr. Dinsdale:** Just by way of illustration, actually I am bringing forward the statistics, Mr. Chairman, to back up the point I am making that there is a myth abroad in the country that industrial development in the west is keeping pace with or moving ahead of the new industrial development in the central provinces. I am merely bringing forth these statistics to point out that the facts are contrary to that contention. Because I have not received permission to place these figures on the record, may I be permitted to read the statistics for each of the years I have outlined, or for the year 1953? I think they will amply demonstrate the point I am endeavouring to make.

**Mr. Howe (Port Arthur):** Once again may I ask my hon. friend whether he is reading the statistics of the Department of Defence Production? What is he reading?

**Mr. Dinsdale:** I am reading the statistics of the total new investment in manufacturing industries in Canada, as broken down on a provincial basis.

**Mr. Howe (Port Arthur):** I can assure you, Mr. Chairman, that there is no provision in these estimates for funds to cover the total investment in Canada, and I object to the hon. member taking up the time of the committee for that purpose.

**The Chairman:** Order. Perhaps the point taken by the Minister of Defence Production is valid.

**Mr. Fleming:** May I say a word on that point, Mr. Chairman?

**The Chairman:** Do you wish to speak to the point of order?

**Mr. Fleming:** Yes, Mr. Chairman. What the hon. member for Brandon-Souris is doing, as I understand it, is bringing forward information with respect to industrial development in the province of Manitoba as bearing directly on his contention that in the distribution of contracts awarded by the Department of Defence Production Manitoba should have received more of these contracts than have been awarded to it, and these figures are designed to indicate the industrial capacity of that province to meet any burden that may be involved in accepting defence contracts.

**Mr. Howe (Port Arthur):** If that is the purpose, Mr. Chairman, he can proceed, but I do not think that is what the hon. member has in mind.

**The Chairman:** Order. Further than that I do not think that the reading of statistics with regard to general investment would serve the purpose which the hon. member for Eglinton has mentioned. If the hon. member for Brandon-Souris wishes to read statistics having to do with defence contracts, or the Department of Defence Production, that is an entirely different matter.

**Mr. Dinsdale:** Well, Mr. Chairman, permit me to quote briefly the statistics for Manitoba, Quebec and Ontario which I think will

perhaps solve the difficulty. Manitoba's total investment for 1953 amounted to $10·5 million, for Ontario the figure was $486·3 million and for Quebec $171·8 million. On a percentage basis that is 1·1 per cent for Manitoba, 51·8 per cent for Ontario, and 18·3 per cent for Quebec. If I continued to quote these statistics dealing with the number of plants and the total production involved it would be shown that they are on a similar percentage. Some hon. members have requested permission to see these statistics, but in view of the decision of the committee I am afraid they will have to be passed around on a hand to hand basis.

The point I was making, and I think perhaps the hon. member for Eglinton outlined it quite succinctly, is that there is no basis of truth at all in the idea that the western provinces as well as the maritime provinces are catching up or even keeping pace with the industrial development in the central provinces. The reason why I bring this matter into a discussion on the defence production estimates is that I think the minister has succumbed to the myth himself. Speaking in Winnipeg last spring before the chamber of commerce the minister took issue with members of parliament from the west who were constantly decrying the industrial development situation in Canada and pointing out that there was a continuing imbalance. By that statement he implied, I believe, that things were not as bad as they had been in the west, and that any western member who took that attitude was promoting bad public relations for the district he represented.

The same opinion has been expressed by Dr. Firestone, of the Department of Trade and Commerce, when he said in an address before the trade and industry officials of the ten provincial governments that there were no longer any "have-not" provinces in Canada, and that every one of them was a "have". He added, and I quote him directly:

> True, some provinces have more of one thing than another, but every province has found that it has a good deal of natural resources that can be put to good use with hard work, drive, vision and the proverbial good luck. In other words, the opportunities are there—it is a question of grasping them.

I agree broadly with his idea, but the truth is that, so far as the actual situation in Canada is concerned, those words are still in the realm of prophecy. The very fact that this house clings so tenaciously to tax rental agreements indicates that we recognize the principle that there are certain areas in this country that need additional support because they occupy an unfavourable economic and financial position. Nevertheless, I agree with the broad general principle outlined by Dr. Firestone. It is true that in terms of potential the prairies as well as the maritimes are not to be classified as "have-not" provinces. We have all sorts of potential, but at the moment we are underdeveloped, underpopulated. I do not need those detailed statistics to bring forth sufficient evidence to prove that point.

Every time redistribution comes up for discussion in this house it is the west which suffers in terms of representation here, and that representation is on a—

**The Chairman:** Order. I can think of two or three departments on which I could allow this speech to be made, but I do not see how I can possibly allow it on the estimates of the Department of Defence Production, and I must ask the hon. member to co-operate by directing his remarks to the estimates of this department.

**Mr. Dinsdale:** The whole basis for my remarks, Mr. Chairman, is the discontinuance of the small industries branch of this defence department. As I said in my opening remarks, I cannot imagine that this branch of the department has been discontinued because it has completed its work. I feel it has been discontinued because it has been found impossible, due to overwhelming economic and political pressure from the central provinces, for the small defence industries branch to carry out the original purpose for which it was established. In supporting that contention I have pointed out that a situation still exists in these underdeveloped areas of Canada, if I may use that phrase, which demands the continued operation of the work of this department. I cannot imagine anything which could be more closely related to the subject matter now under discussion.

We in the western provinces, and certainly in Manitoba, are not interested in handouts. That has tended to be the policy of the central government for years when we get into economic difficulties during a depression or as indicated by the tax rental agreements. We want an expression of confidence in our future from this government here at Ottawa. I believe that the tremendous sums involved in expenditures by the Department of Defence Production have provided a golden opportunity for the dominion government to assist in overcoming some of these historical trends, the pressure from the central provinces, which produce such an uneven development in other parts of the country.

Our provincial government in Manitoba is beginning to cope with the problem on the local level. Our minister of resources and

development has been making contacts in the United States and in the United Kingdom in order to help to overcome the problem so far as possible on the provincial level. However, I say that if we are going to compete successfully with the tremendous social power that is generated by the concentration of population in this central part of Canada, the federal government should seize every possible opportunity for a more equitable distribution of industry.

In concluding, Mr. Chairman, I should like to ask the minister why the small defence industry activity has been discontinued.

**Mr. Howe (Port Arthur):** If my hon. friend will refer to the report of the Department of Defence Production for the year 1953 he will find the answer. Under the heading "Small Industries Division", the report sets out the function of the division and the section finishes with this paragraph:

> Much of the educational and liaison work of the division was completed during the year, as most companies interested in securing defence orders had made their facilities known and understood the policies and procedures followed by the department. As a result, the district offices were closed down at the end of the year and the Ottawa staff was reduced to two industry relations officers.

In other words, the work is being done; but in an effort to promote economy we did not believe it was worth while to carry ten branch offices in the provinces when the work left to be done was not sufficient to keep them busy. We have therefore concentrated the work in Ottawa in the person of two industry relations officers. I think that nowhere is there to be found a better example of the work of the small industries division than is to be found in the work in the Winnipeg area. If you will talk to the small manufacturers there, I think they will tell you that they are doing government work because they were introduced to the work by the small industries division. They know their way around now and they do not need anyone to hold their hands. That is the situation all across Canada. The small manufacturer as well as the large manufacturer understands the work or the function of the department.

I might point out to my hon. friend that since this department was formed in 1951, it has placed orders in the number of 386,585. If he thinks that all those orders have been placed with big business, he could not be more wrong. I think that far more of them have been placed with businesses with a capitalization under $100,000 than have been placed with businesses with a capitalization of more than that.

[Mr. Dinsdale.]

**Mr. Dinsdale:** Mr. Chairman, I just wish to speak briefly again. The fact that the minister mentioned the Winnipeg area does not deal with the problem I was raising because Winnipeg is a large metropolitan community with a very healthy economic base. In fact most of the industrial development that has taken place in the province of Manitoba since the war has taken place in that area which has almost half of our population resources. In Manitoba we are cursed with double centralization, namely centralization in the east and this centralization in one large urban area. The latest statistics I have indicate that 85 per cent of new industries have developed within the greater Winnipeg area.

Let me carry this matter just one stage further. One of the reasons why I emphasize the role of the defence production department in this matter of decentralization is that the work is directly connected with defence and, as the hon. member for Cape Breton South pointed out, it is only good defence planning to carry out as comprehensive as possible dispersal of defence potential. I listened carefully to the minister when he made his statement this morning dealing with the aircraft industry. He referred to the widespread dispersal of the aircraft industry, particularly that part of the industry dealing with the manufacturing of component parts, and he mentioned mostly large urban areas. I did not hear one small centre mentioned. There was Halifax, Toronto, Montreal, Winnipeg, Calgary, Vancouver and so on.

**Mr. Howe (Port Arthur):** And Amherst, Nova Scotia.

**Mr. Dinsdale:** Yes; and Amherst.

**Mr. Dickey:** St. Jean, Quebec and Edmonton.

**Mr. Dinsdale:** Let us look at the Russian program in contrast to our own. They have 360 factories engaged in the manufacturing of aircraft and the component parts thereof. I have obtained that information from Jane's "All the World's Aircraft" which is supposed to be a very reliable document on these matters. Of these 360 factories, 35 are airframe factories, 30 are aero-engine factories and 265 are producing the other smaller components. They are dispersed just as widely as possible throughout the expansive geographic area of the U.S.S.R. In addition to general dispersal they are concentrating on northern development with regard to their industrial activity and they have above the 53rd parallel 50 cities which have been established on an industrial base. We have just

one city north of the 53rd parallel. The point I wish to make is that we should not contribute to bigness and the overdevelopment of these metropolitan areas but try to support in every way possible the development of small industries in smaller communities. That is real decentralization. The small industry in the small community is able to cope successfully with the larger industrial plants in most circumstances, but certainly it cannot do so when it comes to manufacturing activities that are closely integrated with our whole defence program.

If it was not for private activities in this regard, there would be little industrial development at all in Manitoba at the present time because the degree of prosperity and progress that we have, particularly in the western section of the province, is based on the oil activity that has emerged during the past three years. As the minister well knows, that activity is largely in the hands of private operators. Again I would emphasize not concentration in Winnipeg or in the larger urban areas but support wherever possible in the small communities. It seems to me that is the main purpose for the establishment of this small industries division.

**Mr. Cameron (Nanaimo):** In the course of my remarks on the first item this morning the minister took exception to my referring to the original estimate of the cost of minesweepers as a target price. He insisted that it was merely an estimate and objected to my use of the term "target price". I should like to see if we can get some information with regard to the cost of these vessels since I understand that one of them has now been completed on the west coast. I would refer the minister to page 539 of *Hansard* of December 2, 1953, when I attempted last to elicit some information from the government on the cost of these projects. At that time I asked this question of the government:

1. What were the prices originally set for the construction of minesweepers which were under construction in shipyards in eastern Canada and British Columbia in the years 1951, 1952 and 1953?
2. Were these prices increased?
3. If so, when, and by how much?
4. What were the reasons for the increases?
5. What is the contract price for the most recent contracts let for the construction of minesweepers?

You will observe that the minister placed an answer on *Hansard* to the effect that all that had been done at that time was to make an estimate of probable costs. A certain sum of money was provided to start construction on four of these vessels and later the sum of $9,750,000 was provided to enable the construction of ten additional ones to be started. He tells us that contracts were awarded providing for payment to the contractors of up to $925,000 per vessel and that additional sums have been authorized from time to time against which payments have been made to the contractors. The rest of my question he dismisses as not applicable.

If we grant that it was not possible for the government to get a closer estimate at that time, I think now is the time that we should have some more figures. I have reason to believe, and I trust that the minister will correct me if I am wrong, that about twelve months after the original estimate of $925,000 was set it was revised and it was discovered to be some 83 per cent out, not a very good estimate. It was decided that it had to be revised upwards to $1,600,000 applicable, if I am correct, to all the hulls then under construction in Canadian shipyards with the exception of one that was being constructed in the Yarrows shipyard in Victoria where the price was raised to $1,300,000 due to the fact that their wholly-owned subsidiary, Burrard Dry Dock of Vancouver, had already had $300,000 of work on the particular vessel. On the basis of the minister's statement on the 2nd of December when he said that we would have to wait until the vessels were completed before knowing what the costs were going to be, and considering that one has now been completed on the west coast, I should like to ask the minister—and he should be able to tell us—what has been the total cost of that vessel. What are the authorizations for further payments on these minesweepers that are still under construction? I should also like to know on what basis these increases in estimates have been made and whether now there has been set a final, definite price at which we can expect to get minesweepers completed, with due regard of course to any further increases in costs in the immediate future.

**Mr. Howe (Port Arthur):** I am sorry to say that I have not with me the exact cost of the ten minesweepers that have been completed, but it is slightly under $4 million per minesweeper. It varies for the different yards. I think the lowest cost yard happens to be at Port Arthur, Ontario, with which I am very pleased, and some of the higher costs are found in one or two of the yards the hon. member has mentioned. However, I think they are all being bought for slightly under $4 million. That is exclusive of armament, fire control equipment and stores.

When a requisition comes from the Department of National Defence for a new type of ship, it is accompanied by an estimate. The estimate is made by the man who proposes to design the ship. We have no way of knowing what the ship is going to look like when it is designed. The design is perhaps

finished a year or so later. We accept the estimate. As the designs go forward we try to estimate what the position is from time to time, but design changes are made almost up until the date of commissioning. The work is carried out on a basis of cost plus a fee. The cost is just what the yard finds it necessary under supervision to spend on the building of the ship. We believe we now know sufficient about the cost of a minesweeper to set up a target price. In fixing a target price say we find that the lowest cost ship built is $3½ million. We consider that with their past experience they should do a bit better in the future and we set the target at $3¼ million. If the final price is less than that, the shipyard gets a bonus. If it costs more than the target, the shipyard fee is cut accordingly. That is a target price contract, and it is fixed on a price that is sufficiently well known to be established and agreed upon as fair by the crown and the contractor.

**Mr. Montgomery:** I should like to say a few words on the problem of decentralization and good planning for the future. I find myself in agreement to quite an extent with the hon. member for Eglinton and the hon. member for Cape Breton South. When the minister answered the hon. member for Cape Breton South he gave a lot of information about what had been done in Nova Scotia. I listened to see if anything was being done for New Brunswick because the maritimes in general were being discussed. Since I did not hear the minister say anything about New Brunswick, would he be good enough to put on record what has been done by way of assisting industry there and having production carried out by existing industries in New Brunswick? If nothing has been done, which I would not be too surprised to learn, possibly he might give us a reason for it. It might be a different reason from what I suspect he may say, namely, that there is a shortage of power there.

I think this department will have a great deal to do in the future with the over-all picture of planning for the defence of this country and in my opinion the department should expand their thinking and plan to assist these areas. If they do not have existing industries today it might be good business to help industries to get started thereby assisting in the development of natural resources such as power. As time goes on, it is going to be more important for defence industries to be scattered throughout the country. I think that is becoming the generally accepted view. That being so, has the minister any information about New Brunswick?

[Mr. Howe (Port Arthur).]

**Mr. Howe (Port Arthur):** I am surprised that the hon. member for Victoria-Carleton has not noticed the fairly substantial industry being built there at the present time. At least $30 million is being spent on the army camp at Gagetown which will be a continuing industry for that part of the country and one that will absorb local products in a way that no other industry I can think of would equal. He must also know that we have been supporting a very substantial industry in Saint John, the Saint John Dry Dock and Shipbuilding Company. If he will look around the province, I think he will find other industries that are playing a very substantial part. I know that there is one on the north shore at Bathurst that is doing an excellent job for the department. In order to help someone you must find the person to help, and the person who wants help must indicate he wants help. He must indicate what he is capable of doing. Wherever we find that type of person or that type of industry in New Brunswick or anywhere else, we give them help. I suggest that Mr. Hesler of Sackville might be able to tell my hon. friend about the help he has had from the crown in developing industry there and in Nova Scotia.

I do not believe I could give a catalogue of all the industries that have been developed in New Brunswick. I suggest the hon. member will find the government has really spent, in proportion, about as much there as in any part of Canada. If he does not believe it, let him look into the Gagetown area.

**Mr. Gillis:** The minister's estimates are not so easy to discuss. For example, we are only voting in the estimates before us about $40,328,813, but in the national defence estimates there is also an item for $1,902,822,500 that the minister is going to spend, or at least a large percentage of it. The report of the Department of Defence Production for January 1 to December 31, 1953, is the only guide one can get as to what happens to the money that was voted for national defence in that year. I should like to ask the minister this question. On page 47 of that report, table 3, Canadian defence orders placed in Canada from April 1, 1951, to December 31, 1953, there is a total of $2,894,481, and then again on page 49, Canadian government expenditures on defence procurement, table 7, you will find a total there from April 1, 1951, to December 31, 1953, of $2,783,306. I should like to find out from the minister, just to see how unreasonable I was when I made my statement, the amount or percentage of that money that was spent in the maritime provinces?

**Mr. Howe (Port Arthur):** In order to do that we would have to analyse how much Dosco steel went into our construction and how much the basic industries down there supplied to us. It is quite impossible to get these statistics in a form that means anything. Dosco has been working at full capacity, and I presume at least 50 per cent of the production went into some form of defence construction. I suppose the production would be $50 million or $60 million a year, so we will say we have been spending half of that there. What we have been spending with Fairey in Nova Scotia or Dominion Coal Company to support defence installations, I cannot say. I do not believe anyone could ever analyse that.

**Mr. Gillis:** I agree, but I did see figures on it in the press some time ago, and that is what made me ask the question. The percentage was very small. Let us leave that and go to procurement. The minister had to step up or expand existing industry for the purpose of manufacturing munitions, gun apparatus, machine tools and so forth that were to be supplied to the NATO countries under our commitments to NATO. Can the minister give me any idea whether or not there was any new industry established in the maritimes or the expansion of any existing industry to take care of the manufacture of equipment necessary to supply NATO under our agreement?

**Mr. Howe (Port Arthur):** No special facilities are set up to supply NATO. NATO is supplied by the facilities that supply our own defence needs. I know that we installed one of the biggest presses ever installed in the British empire in the plant of Nova Scotia Steel in Trenton to make ship shafts and heavy shafting. This was for ships that went to NATO and ships that stayed in Canada, and various purposes. I recall no special equipment ever set up anywhere to make material exclusively for NATO.

**Mr. Gillis:** All the minister's department has done so far, then, is to make use of existing industry to produce equipment needed by national defence?

**Mr. Howe (Port Arthur):** That is not true, either.

**Mr. Gillis:** There has not been any investment at all in new industry or plant expansion?

**Mr. Howe (Port Arthur):** Oh, yes. There was an investment in Dosco for the new press I mentioned that was installed there; that must have run into several million dollars. The Fairey aircraft industry was not there before the Korean episode. It is a reasonably new industry. We have Cossor, and that was not there before Korea. Certainly Amherst was not working before Korea, and now this plant is very busy, that is the enamel and heating plant. You could go through the maritimes and find a good many plants that have been expanded. I noticed that the accelerated depreciation for New Brunswick alone runs into $6 million, and that is only one item.

The trouble with making any analysis of these things is that you can never make it complete. Someone can come along and say you should have included this or that, and so you should. You would have to break the thing down to find out what the total production of maritime industry is, and then you would have to estimate how much of that went into defence production.

**Mr. Gillis:** I am not trying to embarrass the minister, but I will have to go home very soon and answer all these questions.

**Mr. Howe (Port Arthur):** I am sure the hon. member will be congratulated on the job he has done.

**Mr. Pearkes:** I should like some information regarding the contract to supply naval fuel oil for Esquimalt. On June 14 of this year, I was given answers to some questions I had asked regarding the supply of this fuel oil. I was informed that the contract had been let to White Petroleums, who were agents for the Union Oil Company of California. I was informed also that this fuel was derived from foreign crude oil, and that it was being delivered to Esquimalt by the company tankers.

I was rather surprised that we should have been purchasing foreign oil for our naval vessels, in view of the announced policy of the department that, so far as possible, they would obtain the supplies from Canadian sources, and particularly in view of the fact that only recently some $93 million has been spent on the construction of a pipe line from northern Alberta to Vancouver, and that large sums of money have been expended in the construction of refineries. In addition to that, about a million dollars has been spent by Imperial Oil Company to develop a wharf for the oil tankers in Vancouver.

Furthermore, I believe that in the past the fuel oil for the navy had been delivered to Vancouver and it had been conveyed from Vancouver to Esquimalt naval fuel base by the Canadian naval tanker H.M.C.S. *Dundurn*. So far as I know, that procedure was carried out satisfactorily. I would therefore like to be informed as to the total amount of fuel oil for this year's contract, both bunker and

diesel oil, the price which has been paid, and also an explanation as to why it has become necessary to obtain fuel oil from foreign crude, when, it seems to me, at the present time there is an abundance of Alberta oil available on the west coast. In fact we heard only within the last few days of a statement by the president of the Imperial Oil Company, and supported by the executives of other companies out on the west coast, that they expect rather difficult times in being able to find markets for Canadian oil.

**Mr. Howe (Port Arthur):** I believe I am in an excellent position to answer the question, because when I saw the requisition coming through I thought there must be something wrong with it when they were buying oil in California. I sent it back for a complete explanation. I was not too happy about the explanation I received, so I had an expert in to discuss it.

The cold fact is that west coast consumption—and it must be kept in mind that this is residual oil—the consumption of residual oil is about 17,000 barrels a day, and refinery production in that area is about 7,000 barrels a day. So that about 10,000 barrels of residual oil are being brought into the area every day.

We could have placed the order at a slightly higher cost with Canadian refineries, and taken their residual oil for the navy, which would simply have meant that the ordinary consumer would have been using California oil to that additional extent. The only difference would have been that the crown would have paid the local price, which is somewhat higher than the landed price of California crude, and the difference between the two would have gone to the trade, instead of to the crown.

By buying California residual oil and taking advantage of the lower price and the discount on California crude there was considerable saving in dollars. As I say, the local supply of residual oil is fully utilized. My hon. friend will understand that gasoline is cracked in the Vancouver area. The quantity of residual oil depends wholly upon the demand for gasoline. If that demand is small, then the residual oil produced by the refineries is small. With the "cat-crackers" used there now, we get less and less residual oil as a proportion of the total crude which comes into the refinery.

**Mr. Pearkes:** We were short of the type of fuel oil required, and it was not available at Vancouver. Is that correct?

**Mr. Howe (Port Arthur):** Yes.

[Mr. Pearkes.]

**Mr. Michener:** There has been a considerable reduction in the expenditures of this department. The department is a big spending agency and, while it is proper to recognize its accomplishments—and the right hon. gentleman is frequently recognized in glowing terms for his accomplishments—it is also relevant to call attention to the shortcomings of the department in the discharge of its duties. I have no doubt the minister will expect the opposition to call these matters to his attention and to that of hon. members in the committee.

I wish to refer to two items with which the Auditor General was dissatisfied. These are reported at page 20 of the Auditor General's report for 1953. The two items there relate to contracts which, under section 17 of the Defence Production Act, require to be approved by the governor in council. The complaint of the Auditor General is that although the contracts were originally approved by the governor in council subsequent alterations to the advantage of the contractor were made as routine departmental procedure.

The Auditor General has taken the view, and quite properly, that where a contract has initially to follow a certain procedure, any change or alteration should be made only after following the same procedure, that is with the sanction of the governor in council.

In the first instance there was a discount of two per cent which a contractor had agreed to take for payment within thirty days. After the governor in council had dealt with the contract there was an amendment made by which that discount was removed.

In the second instance an allowance was made after a contract had been formally approved.

Then, there is a third item at page 21 about which I should like to ask the minister. In this case it appears that an allowance was made to a firm which had undertaken to make overcoats from cloth supplied by the department. The allowance was necessary because the cloth was found not to be up to specifications. It had shrunk in the course of manufacture, and caused the contractor considerable loss. So far as the contractor was concerned, apparently the department quite properly recognized that it was not the fault of the tailoring firm, and allowed $62,762 as compensation for extra loss by reason of the faulty cloth.

The important point is this: Did the department, which had purchased this cloth and supplied it to the contractor, then follow up

to recover from its supplier the value of the amount it had paid out as damages? It seems to me this could have been recovered properly as damages payable by the supplier of the faulty cloth, which had not been properly shrunk.

**Mr. Howe (Port Arthur):** My hon. friend is quite correct in saying that the reason for that payment was that the cloth supplied by the department was defective, in that it shrank. It was not the fault of the contractor. An adjustment was made so that the contractor would escape unharmed. The cloth was drawn from government stores. At that stage it was impossible to trace its origin. The adjustment was debited to the cloth account. My hon. friend will realize we buy our cloth in long runs so as to get the full mill discount. We have perhaps $20 million worth of cloth in store at all times, and that cloth is supplied to contractors for uniforms and for government clothing generally.

Apparently there was a mistake in the inspection of the cloth. It was called to everyone's attention, but it was impossible at that stage to trace where the error was made, or even where the cloth came from.

**Mr. Michener:** I appreciate that if it was impossible to identify the supplier of the cloth it would be difficult to claim back, as I have suggested. I would like to have the minister's assurance on this point. If the department follows ordinary business practice, such as prevails in private business, then certainly a claim would be made back against the supplier of the cloth.

**Mr. Howe (Port Arthur):** And it certainly would have been, if we had been able to identify the supplier at that stage. But it did lead to a tightening up in our inspections. I think all we can say is that we are pretty sure it will not happen again.

**Mr. Cameron (Nanaimo):** With reference to minesweepers, I notice in the answer given by the minister on December 2 he gave a figure of $3,900,000 to enable starts on four vessels. Also there was authority to pay to the contractors up to $925,000 per vessel. When one does a little arithmetic he sees the idea was that $50,000 was to be the fee of the contracting firms, we will say, for the construction of those vessels. Can the minister now tell us what proportion of $4 million which he now states these vessels are actually going to cost, rather than the $925,000 which was estimated, is to be in the form of a fee for the contracting firms? What is the percentage?

**Mr. Howe (Port Arthur):** They now have the cost of the first minesweeper at Yarrows at $3,767,000. The second ship of the lead yard is $3,475,000. The cost is coming down as the yards gains experience. The fee for the contractor is 5 per cent according to the Department of Defence Production formula, which includes only certain costs. It is considerably less than the apparent 5 per cent, but it is based on 5 per cent of the cost.

**Mr. Castleden:** In that regard, section 17 of the Defence Production Act requires an order in council to authorize such a contract. How is the authorization made? Does the minister go back and get a new order in council for each increase in the price? May I have the number of the order in council which was passed?

**Mr. Howe (Port Arthur):** There must be a dozen of them for every minesweeper, I should think. We go to council and have certain funds made available for building a minesweeper, we will say, and the work would stop when these funds are exhausted, unless in the meantime we have had a supplementary order in council. But every order in council is filed with the Clerk. I do not know how I can get the hon. member a list. I should think that if he dipped into the pile anywhere he would find one.

**Mr. Cameron (Nanaimo):** A separate order in council?

**Mr. Howe (Port Arthur):** Yes, absolutely separate.

**Mr. Castleden:** Does the minister arrange for bids on account of the increase, or is the original bid given out and then you give this to Yarrows? The figure of $927,000 is for the original tender, I presume.

**Mr. Howe (Port Arthur):** The work is allocated to the various yards following a recommendation of the maritime commission, which studies the skills and also the need for work in the particular yard. At the time the work is placed, we are free of any plans for the ships. The plans are developed as a ship is built, and with this new type of construction we are pretty well helpless as far as costs of the first ship are concerned. When the second ship comes along we have plans fully developed, and at that time we attempt to work out an incentive price contract based on the target.

**Mr. Cameron (Nanaimo):** I regret very much the minister cannot tell us the number of one of these orders in council, because I have tried to get hold of them and I have been informed that they are now with the treasury board.

**Mr. Howe (Port Arthur):** Yes, I should have said treasury board minutes. They are all tabled.

**Mr. Fleming:** I put some questions to the minister this morning with which he has not dealt. Perhaps we could run over them briefly now.

**Mr. Howe (Port Arthur):** I shall be glad to deal with them, if you like. I was just waiting for the opportunity. The first one I think dealt with the relationship of D.D.P. and Department of National Defence.

**Mr. Fleming:** Is it the same as it was a year ago?

**Mr. Howe (Port Arthur):** Exactly, yes. In other words, the Department of National Defence indicates what is required, writes a specification for the article, determines the place and time of delivery, and from that point the Department of Defence Production takes over and carries out the work at its discretion, subject to inspection and acceptance by the Department of National Defence.

**Mr. Fleming:** The Department of Defence Production takes no responsibility in regard to quantity or necessity?

**Mr. Howe (Port Arthur):** No. That of course has first to be approved by the responsible committee of the Department of National Defence. Then it goes to treasury board and is approved there as being reasonable and in accordance with the appropriations of the department. The treasury board authorizes an allotment or financial encumbrance. In other words, at the proper stage we get from the treasury board a financial encumbrance which indicates that certain funds have been encumbered to pay for the material requisitioned. At that stage we take over. We may decide to build a plant to manufacture the article or we may decide to buy it from an existing Canadian plant, or we may decide that the circumstances are such that we should import from outside the country. That is a decision of the Department of Defence Production.

Then, my hon. friend discussed the purchasing policy, as to whether goods should be manufactured in Canada, or, if purchased outside of Canada, whether from the United Kingdom or from the United States; and he indicated it is the free choice of the department. That is hardly the case. Unless there is a substantial saving, the policy is to purchase in Canada, and if the volume is sufficient we will even set up facilities to manufacture in Canada. The strategic situation intervenes there to a point. In other words, if we are building a naval ship, should we manufacture all components in Canada? The view has been, if we are undertaking to build naval ships in Canada, we should also build the components in Canada so that, in the event of war, we are self-contained in that particular field. But if the situation is that we had been purchasing too much in the United States and too little in the United Kingdom, I would point out that probably more than 50 per cent of our purchases outside of Canada have been in the field of aircraft. In the early stages we have purchased aircraft engines in the United States. It is said that we should have purchased in Britain. Britain herself was buying aircraft and aircraft engines from the United States. I suppose even today Britain's armament includes more F-86's, some manufactured in Canada and some in the United States, and all powered with engines made in North America, than planes of British manufacture with British engines. It would therefore be necessary that aircraft expenditure be largely directed towards the United States. We did undertake to manufacture one training plane, the T-33, and there we were able to buy Rolls-Royce engines in England. There happened to be a line of engines of which they had a small surplus that could be devoted to this purpose; but generally speaking it was not possible, within the last year at least, to buy any substantial aircraft or aircraft parts in the United Kingdom.

Another factor that must be taken into consideration is that the army has adopted United States standards for most of its weapons. We were able to buy our tanks in the United Kingdom. The United States came to the same conclusion, as we did, that the Centurion tank was the best heavy tank being produced anywhere, and we both bought our tanks in the United Kingdom. We also bought an aircraft carrier in the United Kingdom and we are having it modernized in the United Kingdom. Where it has been possible to buy in the United Kingdom we have done so. That has been our policy and as a matter of fact we never lose an opportunity to buy in the United Kingdom rather than in the United States. The nature of our armament is such that we have been forced to buy very heavily in the United States.

I might point out that the United States has also bought armament from Canada. The accounts are not in balance, but they are not far out. In the year 1953 the United States bought more in Canada than we bought in the United States. That is a factor we must keep in mind in connection with purchases in the United States. Capital assistance is provided only when a certain product is needed and no other avenue is open except by paying capital assistance

either to equip the plant with specialized machinery or to build an addition to the existing plant.

**Mr. Fleming:** May I interrupt the minister there? Did I understand him to say that last year the United States government spent more on defence procurement in Canada than Canada spent in the United States?

**Mr. Howe (Port Arthur):** That is my recollection, although I can check.

**Mr. Fleming:** I think the minister is wrong. If he will look at the table in his report at page 50, appendix F, it will be seen that the United States government's expenditures on defence procurement in Canada during 1953 amounted to $127 million, whereas table 8, page 49, shows that the Canadian government expenditures on defence procurement in the United States for 1953 amounted to $129,724,000. In addition to that we find that, according to page 47, Canadian defence orders placed in the United States in 1953 amounted to $61 million.

**Mr. Howe (Port Arthur):** I had in mind the procurement figures, which are a little different.

**Mr. Fleming:** Even there we bought a little more from them than they from us during 1953.

**Mr. Howe (Port Arthur):** In the fiscal year 1953-54 we paid them $107 million and they paid us $126 million. The orders placed go the other way. I am talking about the actual payments, not the deliveries.

**Mr. Fleming:** Can the minister say what expenditures the Department of Defence Production made in purchases for civil defence, which would presumably be for the Department of National Health and Welfare?

**Mr. Howe (Port Arthur):** We have bought articles on requisition for the civil defence organization. We bought pumpers and blankets. They are not obliged to buy through the department but they frequently do so. I do not know what they buy outside the department.

**Mr. Fleming:** I take it the same situation does not obtain as between the Department of Defence Production and the Department of National Health and Welfare, on the one hand, as exists between the Department of Defence Production and the Department of National Defence, on the other. In other words, the Department of National Health and Welfare makes only a limited use of the purchasing facilities of the Department of Defence Production in matters pertaining to civil defence?

**Mr. Howe (Port Arthur):** The minister has told me that we buy everything he buys, so I would say that the situation is exactly the same as exists with respect to the Department of National Defence.

**Mr. Fleming:** On page 21 of the report we have the statement:

> The United States, however, remained the largest single source of supply for machine tools.

This matter of machine tools is one of some importance and I wonder if the minister can hold out some hope that we are not going to continue to be so dependent on the United States for that important commodity.

**Mr. Howe (Port Arthur):** That situation arose because of availability. At the beginning of the Korean war there was a great rush to buy machine tools. We bought all we could in England, the United States, and a few from the continent because work was being held up owing to the lack of machine tools. Of course, that is not the situation today. I doubt if the department has bought many machine tools in the United States for some months. In the early days of Korea it was a question of availability, and the situation was exactly the same at the beginning of the second world war.

**Mr. Fleming:** Could the minister tell us what proportion of the expenditure made through his department last year was made on purchases without calling tenders?

**Mr. Howe (Port Arthur):** These figures go back to the beginning. Of all orders placed on behalf of the Department of National Defence, 4·4 per cent were negotiated contracts. Of orders placed in Canada on behalf of the Department of National Defence, excluding foreign contracts, negotiated contracts amounted to 2·3 per cent. Of orders over $10,000 placed in Canada, negotiated orders amounted to 4·4 per cent. Very little is left in the way of negotiated cost-plus orders today for we are able to establish the price of everything either on a fixed price basis or an incentive basis.

**Mr. Fleming:** Would the minister say more about that? There is quite a lot of concern in regard to the matter of purchasing without tenders and also in relation to cost-plus contracts. I think we would like to hear a fuller explanation in regard to the matter of purchases without tender under present conditions, because it is quite apparent that the market conditions under which the department is now purchasing are very different from those under which the department was purchasing a year or two ago. We would be glad to hear about the extent to which the department has been able to abandon the

cost-plus contract in favour of what the minister has called the "incentive contract".

**Mr. Howe (Port Arthur):** If we get a requisition for, say, CF-100's there is only one place we can buy them and that is from the manufacturer. You could hardly call for tenders on CF-100's, and in that case the best we can do is to negotiate a basis for production. It may not be a cost-plus contract but it certainly is a negotiated contract. In addition, if we want to buy General Motors transmissions, and we do buy a considerable quantity because they are standard in our larger motor transports, then we have to go to General Motors to buy them. In other words, we cannot call for competitive tenders when there is only one source of supply. It might easily be a firm price, but in most cases it is a negotiated price and must necessarily be so. There are certain things in which we have a choice and for which we call for tenders.

**Mr. Fleming:** May we take it that in the case of anything in the nature of a product that is to some extent a standardized and not a custom product the department is firmly adhering to the policy of purchasing by tender?

**Mr. Howe (Port Arthur):** Invariably.

**Mr. Fleming:** Will the minister then make some further comment about the extent to which the department is abandoning the cost-plus contract in favour of the incentive contract?

**Mr. Howe (Port Arthur):** I think it has been months since we have placed a cost-plus contract on construction. We had a case where we were doing secret radar work and using plans furnished by the United States. We were not allowed to distribute these plans generally and therefore we had no option but to place a cost-plus contract. That, however, was an unusual case and I know of no similar case since that occasion. At certain remote spots where it would obviously be too expensive to send in two contractors to estimate a job we sometimes place a cost-plus contract. I think Churchill is a case in point, though later contracts there have not been issued on a cost-plus basis. I am told that over the last year or so we have been getting excellent competition on almost every type of construction regardless of where located.

**Mr. Fleming:** What is the nature of this incentive contract to which the minister referred?

**Mr. Howe (Port Arthur):** This type of contract is normally used in manufacturing. The contractor and the government agree that a certain price is a reasonable price at a certain stage of production. If by extra skill the contractor is then able to produce for less than that price, he gets a bonus on his fee. If on the other hand his production costs more than the target price, he gets a smaller fee than the contract would otherwise call for.

**Mr. Fleming:** You are not applying that procedure under any construction contracts? It is only on manufacturing contracts that you apply that incentive?

**Mr. Howe (Port Arthur):** Yes. That is not the type of contract that applies very well to construction.

Item agreed to.

**The Chairman:** It being five o'clock, the house will proceed to the consideration of public and private bills.

At five o'clock the Deputy Speaker resumed the chair.

## PRIVATE BILLS

**Mr. Deputy Speaker:** There are a number of divorce bills on the order paper. Shall these be entertained in one motion?

**Mr. Knowles:** As I indicated last time, Mr. Speaker, we have no objection to the house going into committee on these bills on one motion provided it is understood that, when we get into committee of the whole, we shall take them one at a time.

**Mr. Deputy Speaker:** These bills may be referred together under standing order 110. Of course the hon. member will have his usual privileges when we reach the committee stage.

**Mr. John Hunter (Parkdale)** moved that the house go into committee to consider Bills Nos. 449 to 458 inclusive and Bill No. 434.

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

### FRANCIS WALSH

The house in committee on Bill No. 449, for the relief of Francis Walsh—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** Mr. Chairman, when we were last at this business a week ago today, I had something to say about this Bill No. 449. I do not think I need to add anything more to what I said a week ago when I gave a few of the details and pointed out that in my view the particulars of this case underline the fact that this type of thing is hardly the business of members of parliament.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

HILDA ANNE DARKE MARSHALL

The house in committee on Bill No. 450, for the relief of Hilda Anne Darke Marshall —Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** Mr. Chairman, this is another case which, like the one we have just dealt with, is an extremely unhappy one. It does not look as though there is much we can do about it. I suppose it can be said that if we pass this bill we are in a legal sense dissolving the marriage of the two people whose names appear on the front page of the book of evidence which I hold in my hand. Actually it would appear that that marriage, for all practical purposes, has already been dissolved by the fact that the husband in this case appears to have deserted his wife. Evidence from a coal dealer and a carpenter was introduced in the other place to suggest that the respondent in this case is now living with someone else in the city of Toronto, and that they are living together as man and wife. The evidence is not direct; it is circumstantial, but it seems to be fairly strong.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

**The Deputy Chairman:** Shall the bill carry?

**Some hon. Members:** On division.

Bill reported, read the third time on division and passed.

CLAUDE RAPHAEL SACCHITELLE

The house in committee on Bill No. 451, for the relief of Claude Raphael Sacchitelle —Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Castleden:** Mr. Chairman, this bill asks us to dissolve the marriage, in this case, of an unfortunate chap who is at present on active service in Korea. He is the one who is making the application. Having regard to most of the evidence, I think one would come to the conclusion that a divorce perhaps should be granted, on the evidence that we have. But unfortunately, in recent months in the House of Commons—at this session at any rate—we have come to question some of the evidence and some of the recommendations with regard to these divorce bills.

It has been our custom to pass these divorce bills in large numbers. The procedure is to have the evidence heard in a committee of the other place. They make their recommendations on them. A House of Commons committee deals with them. The members of that committee then recommend them to this house. Under these circumstances it has been customary for the House of Commons to pass these bills in what is a sort of production-line procedure or a steam roller proposition. However, recently a case came to our attention here and, on going through the evidence, a number of us questioned it. Our questioning resulted in the case being sent back.

**Mr. Harris:** Just pay attention to this particular one and not to the other one.

**Mr. Castleden:** That was an outstanding exception. I should like to say that it is quite in order, since the evidence in that case turned out to be so bad that we turned the case back. The evidence was so bad that the applicant withdrew his case entirely. I think that is a basic reason why we in the House of Commons should question this evidence very closely.

**Mr. Pickersgill:** I rise on a point of order, Mr. Chairman. Did the hon. member go to the committee where this sort of thing is done? Does this procedure have to be inflicted on the whole house?

**An hon. Member:** I hope not.

**Mr. Knowles:** A brilliant contribution.

**The Deputy Chairman:** Order. I am not proceeding to rule on the question of order, if any, raised by the Secretary of State. But I should like to say now to the hon. member for Yorkton and to the committee as a whole that I think perhaps the remarks he has just made have amply demonstrated the value, when we are in committee on a bill, of restricting our discussion to the bill which we are discussing. I have no knowledge of the merits of either case. But to discuss the demerits of one case during consideration of another case where perhaps those demerits would not apply is, I think, one of the things that the rules of the House of Commons are trying to get away from when they say that discussion shall be restricted to the subject before the committee. It is not my intention to endeavour to be very strict in imposing rules on this committee at this time, for reasons which will appear obvious to everybody. However, when the hon. member is discussing specifically a case as distinguished

from general remarks, I would ask him to discuss specifically only the case which we have before us.

**Mr. Castleden:** Thank you, Mr. Chairman. From what you have said I presume that it would not be correct to discuss even the procedure on these bills when they come before this house. Certainly after what happened in the other place and after what was said, on a question of privilege, by certain members here where motives were imputed, I think we should at least have an opportunity to reply. For that reason I think every one of these cases should be carefully examined. I suggest this one might be carefully examined. Perhaps at a later time it would be well for me to rise on a question of privilege and ask to be given the opportunity at least to reply to those who impute motives to us when in the interests of justice we ask that a case be sent back to have it reviewed. I think that is about all I have to say. I will have more to say on the other cases.

**Mr. Knowles:** Mr. Chairman, I am interested in this case because of a particular point that is raised by it. It is a matter I have taken the trouble to do some reading about, and I think it should be of interest to members of the house who are members of the medical profession and also to those who are members of the legal profession. My reading on the subject which is raised by this case led me in particular to examine a very excellent paper entitled "Medical Privilege" which was given by Mr. Justice Samuel Freedman of the court of queen's bench, Winnipeg, Manitoba, at a recent meeting of the Manitoba medico-legal society at Winnipeg. Mr. Justice Freedman was dealing in this article with the question as to whether or not there should be extended to medical practitioners throughout Canada the protection in courts which is enjoyed by members of the legal profession. The reason I read the article and the reason I want to make some references to it is because that question arose in connection with this case.

I do not wish to put any names on *Hansard* so I will use letters where I wish to delete names. But with that qualification I should like to read an extract from page 12 of the evidence in the case now before us under Bill No. 451. One of the examiners who was asking questions before the committee in the other place said:

> Q. Mrs. X, Dr. Y cannot be required to reveal any information he may have received by examining or treating you in his professional capacity, but you have the right if you wish to permit him to do so—to consent that he do so and give him that authority. You do not have to give him that authority if you do not want to.
>
> [The Deputy Chairman.]
>
> By the Chairman: You understand that, that you may give him permission to tell us what was the result of his findings?
>
> A. Yes.
>
> Q. You are willing to do that?
>
> A. Yes, I am.

I will not bother to read the next part of the proceedings which is the evidence given by the physician whom I have characterized as Dr. Y and which became rather important evidence in connection with this application for divorce. In fact, after this doctor had given his evidence the chairman of the committee, Senator Roebuck, said:

> That is very good evidence. Thank you, very much.

There is no question about it that the evidence was the kind of evidence that was useful in a case such as this. I wish to make it clear that the woman in question did give her consent to this medical man giving evidence before the Senate committee which he had gained in his professional capacity as an attending physician. The point I raise is to me a very interesting one. Was it appropriate for it to be suggested in a hearing in a committee of the parliament of Canada, on the soil of the province of Ontario, if you will, that a doctor could not be required to give evidence obtained in his professional capacity? It is in that connection that I find this lecture by my friend, Mr. Justice Samuel Freedman, very interesting. He tells us that the basis of the law regarding medical privilege so far as the United Kingdom is concerned and so far as Canada is concerned, except for the province of Quebec, goes away back to 1776. He says:

> It is the year 1776. The scene is Westminster Hall, and the occasion is the trial before the Right Hon. the House of Peers of Elizabeth, Duchess of Kingston, for bigamy. The noble lady is charged with having gone through a form of marriage with the Duke of Kingston while her first husband, Augustus John Hervey, later Earl of Bristol, was still—

**Mr. Hunter:** On a point of order, I should like to point out to the hon. member that, while this doubtless may be a most fascinating legal point for him to discuss, it has no relevancy whatsoever to the decision in the case before us. The decision in the case was that that this woman committed adultery and therefore the divorce was granted. I would point out, purely on the grounds of relevancy, that what the hon. member is discussing has nothing to do with the decision of this house.

**Mr. Knowles:** Mr. Chairman, I am thoroughly in agreement with the ruling you have made from time to time, even if that ruling sometimes impinges upon what I would like to say myself, that in discussing these bills we should discuss the particular case that is before us at any one time. I have

accepted your stricture that we must not wander off into a discussion as to what happened with respect to other bills. But I submit that when we have before us a bill, the major portion of the evidence of which is based on what was stated by a doctor, I have the right to raise the question as to the propriety of it being said in the committee of the other house that there was such a thing as medical privilege on which that doctor and that patient could rely. My purpose in referring to the paper given by Mr. Justice Freedman is to prove my point that medical privilege does not obtain in the courts of Canada outside of the province of Quebec. If it is uninteresting or distasteful for me to read at length from Mr. Justice Freedman's article, I am prepared to curtail my quotations from this article, but I think there is no question but that I should be permitted to quote sufficiently from this article to prove my point that medical privilege in the courts of this country, with the exception of those in the province of Quebec, does not apply. It is that that I want to establish from Mr. Justice Freedman's article. If Your Honour wishes to make a ruling on that point, I will sit down until the ruling is made.

**Mr. Harris:** May I ask a question, Mr. Chairman? If my hon. friend satisfies himself that in fact there is no such privilege, do I take it that he then feels that the evidence was not sufficient and he is going to oppose this particular bill?

**Mr. Knowles:** I think it is fair to say that without the evidence given by this doctor the decision might have been different, even in the other place.

**Mr. Harris:** My question was not a hypothetical one and need not have been answered by the use of "might". We are trying to decide this case, or my hon. friend is trying to decide it himself, and either one of two results follows. Either he decides that the evidence was sufficient or that it was not. We could very well save the time of parliament by allowing him to be satisfied that there is no such thing as medical privilege and let him come to his own conclusion with that in mind.

**Mr. Knowles:** I do not think it is up to me to make a decision for the Minister of Citizenship and Immigration.

**Mr. Harris:** I would not rely on your judgment.

**Mr. Knowles:** I am glad the minister said that he would not rely on my judgment. That is exactly the point of debate in this house, so that all the arguments can be brought out on the basis of which every member can make up his own mind.

**The Deputy Chairman:** I think I can satisfy the hon. member for Winnipeg North Centre at least for the moment by saying that for the moment the question before the committee is whether or not clause 1 of this bill will be adopted. I cannot come to the conclusion that the hon. member is out of order in discussing the methods whereby evidence was or was not admitted upon which clause 1 was recommended to us. The hon. member for Winnipeg North Centre has the floor.

**Mr. Knowles:** By way of compromise, I shall certainly reduce what I had intended to do by way of quoting from the article by Mr. Justice Freedman. He gives a very interesting history of this question, but ends up by saying:

> Were this paper concerned merely with a declaration of the law on whether a doctor is entitled to professional privilege it could end at this point. Our law is clear. He has no such right.

Later in the article or in the footnotes, Mr. Justice Freedman makes it clear that in Quebec there is such a privilege. Indeed, in the Quebec civil code it is provided that a witness cannot be compelled to declare what has been revealed to him confidentially in his professional character as a religious or legal adviser, or as an officer of state where public policy is concerned. This provision covers religious and legal people, but then in the Quebec medical act, section 60, subsection 2, there is the following provision:

> No physician may be compelled to declare what has been revealed to him in his professional character.

Mr. Justice Freedman points out that that privilege applies in Quebec, and that is the only place in Canada where it applies. That being the case, I submit it does not apply in Ontario, and in this instance the hearing was held within the territorial limits of the province of Ontario. The doctor in question was an Ontario doctor residing in Kingston. The patient whom he had examined had been examined at Kingston, and yet it was suggested to him that he had a privilege which does not obtain.

Now, one of the problems involved in all of this and the difficulty in dealing with cases like this, where at least one of the parties is a resident in a province where they do not want divorce courts, is that in this case the law of that province was imported into the proceedings held here at Ottawa. I feel it was quite wrong for the senators to take that position. Perhaps there is a case for changing the law with regard to medical

privilege. Mr. Justice Freedman does not come to that conclusion. He feels the law should not be changed.

As I say, I rose not to discuss the details of the case itself, except with respect to this one point. Whether or not the Minister of Citizenship and Immigration accepts my judgment, I submit with due respect for his judgment that Their Honours were wrong when they imported into a hearing on Ontario soil a provision that applies in Quebec but does not apply anywhere else in Canada.

**Mr. Harris:** I hope there is no feeling that I would not accept my hon. friend's judgment on occasion, but I have really not the time to come to a conclusion about the law of medical privilege. I have looked at it off and on for something approaching 30 years, but I do not feel I could discuss it learnedly in 40 minutes like my hon. friend. For that reason, I do not know how he could come to the conclusion he has stated in that regard in such a short time.

**Mr. Knowles:** I was prepared to give the Minister of Citizenship and Immigration the conclusion of my esteemed and learned friend, Mr. Justice Freedman of Winnipeg.

**Mr. Crestohl:** I feel the hon. member for Winnipeg North Centre has missed the point entirely. I do not believe this is a question of medical privilege. I believe it is a question of whether or not the law of the province of Quebec can be pleaded in Ontario. Perhaps the hon. member is not aware of the fact that the law of a person's domicile will follow him into any other province in Canada. If the province of Quebec is this man's domicile, he can plead that law in the province of Ontario as it affects the person.

**Mr. Knowles:** I am glad the hon. member for Cartier has raised that point. I thought I had answered it. The doctor and the patient are both residents of the province of Ontario, and the hearing took place in Ontario. The point the hon. member has made would have been valid had it been a Quebec doctor or evidence on behalf of a Quebec patient, but it was an Ontario doctor who had examined an Ontario patient in the province of Ontario.

**Mr. Hunter:** I am convinced, Mr. Chairman, this discussion is entirely out of order. After all, the Senate divorce committee is not bound by the rules of evidence of any province of Canada. It is bound by the rules under which it operates. A discussion here of whether or not they have the right to do this or that has no relevancy whatever. The hon. member for Winnipeg North Centre must realize that the committee is not bound by those rules, and the discussion is entirely out of order.

**Mr. Castleden:** Surely it is proper for this committee to look into the evidence, and if there is something wrong with the evidence, something with which they disagree, it would be proper to draw the attention of this house to that and, perhaps as in the other case, have it referred back to the private bills committee.

**Mr. Hunter:** I would think that would be a most improper thing. If the hon. member wishes to reform the rules of the Senate committee, I would suggest he move over there and do what he can.

**Mr. Nicholson:** This case is typical of the problems that come to us when we read the evidence. As mentioned by my colleague, the hon. member for Yorkton, the petitioner is a soldier on active service in Korea. Apparently there were some domestic troubles shortly after the couple were married, but I feel it is unfortunate that the petitioner was not given a chance to come back from Korea to appear in person and to state whether or not he was prepared to try again.

The evidence that appears in connection with Bill No. 451 would indicate that the petitioner's wife has not been loyal to him during his absence. In view of the fact he is the one seeking the divorce, I feel he might have been called. I noticed that the question of collusion is raised in connection with this case. I am sure that the hon. member for Victoria, on reading this evidence along with the evidence in many more cases, will certainly consider there is every indication there is collusion in connection with these cases.

Apparently the soldier in Korea has information concerning the misconduct of his wife, and also has information concerning the man who has come into the home to break up the home. As a matter of fact, apparently the man who has come into the picture was here in Ottawa. When the solicitor for the petitioner mentioned that the man was here in attendance but did not think it necessary to call him, the chairman said, "I do not think so; I think we will recommend the case." The case was recommended.

I would say that it was unfortunate the soldier was not given a chance to come home from Korea. If there was a big hurry to get this through, if an injustice had been done to him during the time he was away, I think the least that could have been done was to have him brought back and given a chance to appear in person. As I said, it is difficult to assess these cases when members of the house do not have an opportunity to hear the people

involved. Even after one does hear the people involved, as was the case with one other petition, it would appear that a committee of this house is not able to deal with the matter properly. I hope that we will be relieved of the responsibility of deciding whether or not the recommendation made by the other house should be accepted in cases of this sort.

**The Deputy Chairman:** Shall clause 1 carry?

**Mr. Castleden:** On a point of privilege, Mr. Chairman; the hon. member suggested that perhaps I should go to the other place in an attempt to help bring justice in these cases. I want it made abundantly clear that we are not blaming the other place. They have their nasty duty to perform. Unfortunately, because of the nature of this case, and the large number of cases considered, they have a very difficult job to perform; and I am sorry some of the results have been what they were. I think there is evidence here of what has happened, and that these cases should not be dealt with by parliament at all. One Toronto paper remarks that this procedure made a mockery out of justice and a farce out of the law.

**The Deputy Chairman:** Order. I was going to meet the hon. member in the spirit in which he had risen, and state that I am not too sure whether he could rise to a question of privilege or not. That is, the point is whether you should rise to a question of privilege if the remark about which complaint is made could be construed as a compliment.

I would point out however that no matter where the editorial was published, it is not permissible in this chamber to quote publications which are critical of what goes on in parliament. That, I think, is a well accepted rule.

Now that I am on my feet I would ask the committee to co-operate with the chair in a matter which is causing me considerable worry. As we sit here we have the right to review what has been done by a committee of the Senate, and we have the right to come to a contrary conclusion, if we see fit. By so doing we therefore come to the conclusion that the decision reached by the committee of the other place was a wrong one. So far as that is concerned, there can be no question at all as to the right of this committee. It is perhaps somewhat difficult for us to discuss that conclusion without being somewhat critical of the methods adopted in the other place.

I am afraid that one of the duties I have, so long as I sit here, is to see that this committee shall not give expression to views which could be regarded as offensive by those who have this duty in the other place. Hon. members will understand that I am not trying to bridle this committee in any way. But I am asking hon. members, when they are critical of the result of what has been done by the committee of the other place, that they express their criticism in the least offensive terms possible. I believe it is a well known principle that members of neither house shall use expressions which might be offensive to members of the other.

I am sure hon. members will realize the difficulties of the situation, and will appreciate the responsibilities which, in the long run, are mine. I am asking the assistance of hon. members.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

## ISABEL MARY PEEBLES BROWN MACARTNEY-FILGATE

The house in committee on Bill No. 452, for the relief of Isabel Mary Peebles Brown Macartney-Filgate—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knight:** Mr. Chairman, first of all may I echo the sentiments of the Secretary of State when he says that he hopes we will not much longer have to go through this very nasty procedure which, I am sure, is distasteful to all of us. So far as I am concerned, I would say, "How long, O Lord, how long?" But so long as I am a member of the miscellaneous private bills committee and a member of the House of Commons I intend to see that at least some of these cases shall have thorough consideration. That is as I see my duty in the matter.

I am a member of the miscellaneous private bills committee, and I was in the room when these ten bills, of which this is one, were considered. I have noticed that my hon. friend, the hon. member for Parkdale, the chairman of that committee, and a gentleman for whom I have the greatest respect, has

interjected remarks on two or three occasions. I had not intended to say anything of what I shall now say but under the circumstances perhaps I had better do so, because it is not only the committee in the other place that can make mistakes.

There is always of course the question as to whether these bills should be considered en bloc or considered one at a time. And by the way, before I forget what I wish to say, let me give notice here and now to the members of the miscellaneous private bills committee, and to the various counsel who appear in divorce cases, that so long as I am on that committee and there is before it a contested divorce, whether others take this procedure or not I will do my part to see that such a case is thoroughly reviewed by that committee.

As usual, in the committee I made my little protest, in which I said that I was in favour of considering these bills one by one. I appealed to the chairman and he replied, "Mr. Knight must know that that is not in my hands, and it is not in the hands of the committee." I am not criticizing the chairman, because I suppose he is only human. There was nothing I could do about it. So one of the members of the committee who supports the government offered a motion that the bills be considered en bloc. Hon. members will know of course what the result was. Hon. members in this group who were protesting were defeated by a vote. I may say I asked for a recorded vote on that particular occasion. He who runs may read, because the vote is recorded, and the names of those who asked that the bills be considered en bloc are on record with the clerk of one of the committees of the house.

I do not want to go into that phase of the matter at too great length. We continued to consider the contested case, for which counsel appeared and witnesses were called on both sides. Apparently everyone was in a hurry, and the ten bills were passed—1,2,3,4,5,6—like that. No, I should not say, "1,2,3,4,5,6"—I should say simply 1 to 10. And so we were ready for the next case, about which I shall have something to say when it comes up on the next occasion, which I presume will be Friday of this week, if the house is still sitting.

However, the result of the whole thing was that the committee had to be called back next morning and the procedure had to be repeated painfully again because, as every hon. member knows—and I certainly did know—a committee, whether it be a private bills committee, or something else, is simply an extension of the committee of the whole house. And, as is stated in Beauchesne, what rules the House of Commons rules the conduct of that committee. The procedure is laid down, and is not in the hands of the committee.



That was the story of those ten bills and we did pass them at the next sitting of the committee. The result is that they are now back in the House of Commons. I should like now for a moment to talk about the particular bill before us.

The hon. member for Wellington South and I had some argument in committee about collusion, and I referred him to his Latin dictionary. This is a case where I certainly suspect collusion. It is a peculiar case. Like my hon. friend from Winnipeg North Centre, I am not going to mention names, but this case refers to an Englishman who came out to this country and settled in the city of Montreal. He married an English lady and after a space of time the lady went back to Great Britain and is now living there. She did not appear at all before the Senate committee.

My learned friends will know the term—I do not—but the fact is that counsel backed up her petition with some kind of sworn statement over there. That was the way the petition was presented to the Senate committee. And then the most amazing thing happened. This respondent, this man who was accused of adultery—and one would almost think he was proud of the fact—became the principal witness for the petitioner. My hon. friend and I had a disagreement. He said it did not involve collusion. Well, if it is not collusion, then I do not know the meaning of the word.

Let me read from the evidence—and my hon. friend will not expect me, I know, to mention names, because I have no taste for this sort of thing. I do not like to see these names dragged out before the public and recorded in *Hansard*. But here is part of the evidence. This question was asked:

> Has there been any collusion or agreement between you and your wife in order to obtain this divorce?

The respondent said: "No." Then, Mr. Lapin, who I presume was the counsel, warned the witness. He said:

> The witness does not have to answer questions as to adultery.

If the respondent had not answered questions as to the adultery and implicated himself in doing so, then the divorce would not have been granted. Then we come down to the further question. In this instance again Mr. Lapin asked:

> In your wife's petition your wife complains that between the 25th of March and some time in April you committed adultery with - - - - . Is that true?

I can almost see him clapping his chest and saying: Yes, that is me; I am the man. Well, that is it. That was the evidence on which the divorce was granted.

**An hon. Member:** He was bragging.

**Mr. Knight:** He was bragging, but I do not know what about. It is not something that a man should brag about. The chairman of the committee in the other place seemed to be rather surprised and said: If you have another witness you may call him.

Apparently he was surprised that any other witness was needed. Then this respondent who was so willing to confess before the committee that he was an adulterer said that he had another fellow there, a personal friend. He produced the friend who said, yes, my friend has told me many times, and so on. He said a few things that are flavourable but not favourable, and on that basis this divorce was simply granted. I suggest that if there was not collusion, then I for one do not know what collusion is. My hon. friend says he knows the meaning of the word but I do not, if this is not a case of collusion.

**Mr. Knowles:** I just wish to point out that so far since five o'clock we have dealt with four cases. In three of them we have had the situation to which the hon. member for Saskatoon has just referred, namely, that the chief witness against the guilty party has been the guilty party himself.

Like the hon. member for Saskatoon, I feel that that certainly raises very seriously the question as to whether or not some collusion is involved.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Bill reported, read the third time on division and passed.

WILFRID LAVOIE

The house in committee on Bill No. 453, for the relief of Wilfrid Lavoie—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** This is a disappointing case, too. I find these people were married away back in 1913. They lived together until 1935. They have a son who is now 34 years of age and a daughter 32 years of age. It does seem most unfortunate that this marriage went on the rocks. Apparently the woman in the case is living at the present time in the home of another man. The evidence, a bit flimsy I must say, was such that even a lady senator who was a member of the committee wondered—at least so I judge from her question, which I need not put on the record in its exact terms—whether it might not be the case that this woman was living there just as a housekeeper. In my view the evidence does not seem to be strong in any other direction. However, Mr. Chairman, Their Honours seemed satisfied. That being the case, most members here seem to feel that we have nothing to do but to go along with them. I do express my regret that this elderly couple have had this happen to their marriage.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

JOSEPH EDGAR EMILIEN LANDRY

The house in committee on Bill No. 454, for the relief of Joseph Edgar Emilien Landry—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** I rise to point out that in this case likewise the couple had lived together quite a few years before they fell apart. They were married in 1936 and lived happily together for nearly fifteen years. According to the husband, a friend of his came along and spoiled it all. The evidence does not make very choice reading.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

JOSEPH VICTOR GERARD FONTAINE

The house in committee on Bill No. 455, for the relief of Joseph Victor Gerard Fontaine—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** We seem to have a number of these cases today where the marriage had lasted long enough that one might expect it to have gone on. In this instance the couple were married in 1943 and lived together until 1952. It would appear that one of the

factors in the situation, whether it was cause or effect, was a little too much drink.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

JEANNE ROBERT HOTTE

The house in committee on Bill No. 456, for the relief of Jeanne Robert Hotte—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** Mr. Chairman, here again we have the case of a marriage that lasted for 10 years. This couple were married in 1941 and they did not go their separate ways until 1951. As with quite a few of the cases that we have today, no children are involved. Like the last case, it appears that a factor in the situation, either cause or effect, was too much drink.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

HENEAULT CHAMPAGNE

The house in committee on Bill No. 457, for the relief of Heneault Champagne—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** I think we should have the Secretary of State for External Affairs or at least his parliamentary assistant in on this case because there do seem to be certain international complications. The evidence in connection with this case was not collected in Canada. It was obtained partly in Italy and partly at a fiesta in Spain. It is not a very happy case.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

LEOPOLD RUEL

The house in committee on Bill No. 458, for the relief of Leopold Ruel—Mr. Hunter—Mr. Applewhaite in the chair.

[Mr. Knowles.]

On clause 1—*Marriage dissolved.*

**Mr. Knowles:** This is another unhappy case. There are three children who are not yet grown up.

**Mr. Nicholson:** On page 10 of the evidence the question was asked when the boy was giving evidence, as follows:

> Shortly after your father and mother separated, let us say when you were about eight and a half or nine years of age, do you remember anything happening around the house where your mother was living?

Particularly where young children are involved in these cases, we should give careful consideration regarding what it is going to do to the children. As the hon. member for Winnipeg North Centre has said, in so many of these cases the introduction of alcohol into the home during the early days of the marriage seems to have been a major factor in putting things out of kilter. The evidence in this case would indicate that Their Honours in the other place were quite justified in recommending the divorce. I think we should note that there were three young children involved during the time when the trouble was developing.

**Mr. Maltais:** After listening to all these complaints about these bills and listening to all this talk I am just wondering whether these hon. members who are complaining about these bills find their conscience bothered enough to rise and vote against the bills.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time on division and passed.

JOSEPH DELPHIS GUILLAUME DELORME

The house in committee on Bill No. 434, for the relief of Joseph Delphis Guillaume Delorme—Mr. Hunter—Mr. Applewhaite in the chair.

On section 1—*Marriage dissolved.*

**Mr. Knight:** Mr. Chairman, this is one of 462 bills which have been presented to the Senate committee at this session. It is true that 63 of these bills were not proceeded with, the reason being that they were presented too late and I suppose in the normal course of events they will come before us next year. However, of this total 382 were recommended by the Senate, and three were rejected by the Senate. It will therefore be seen that in most of these cases the evidence must have been pretty good or at least satisfying

to the Senate committee. Fourteen were withdrawn, one of which turned out to be the rather notorious case which I shall not mention here.

In regard to this particular bill I think it would be a good thing if we looked into its history as it passed through its various stages. In the first place, this bill was presented to the Senate committee which passed it and a divorce was recommended. It then came into this house for first reading and as is usual in the case of most bills it did not receive very detailed consideration on that first reading. It then came up for second reading and was passed, again without consideration. It then came into committee and it was only by sheerest accident that one of my colleagues noticed it was a contested case and by the bulk of the evidence it appeared as though there had been considerable argument. He took the case up and read it through. In committee of the whole he spoke on the bill and then the hon. member for Winnipeg North Centre at the end of that day's debate moved that the bill be not now read a third time but that it be sent back to the miscellaneous private bills committee for further consideration.

The vote on that motion in this house is now past history. The house voted by 66 to 63, presumably upon the reading of the evidence or upon the validity of the arguments advanced by my colleague, to send it back, and the bill which had already passed the infallible committee in the other place, and passed its first and second readings in this house was recommended to be sent back to the miscellaneous private bills committee for further consideration.

I want to point out that we who are members of that committee are sometimes placed in an unfortunate position. There was one famous case which was before the committee last year and it was discovered that a minor technical mistake had been made. The committee was called back the next morning so that the chairman could put in the words: "Shall I report the bill?" The next day there were three times as many members attending that committee and I think it is fair to say that most of them came from the government side of the house. The case was re-opened and the decision reversed.

**Mr. Pickersgill:** Mr. Chairman, how does the hon. gentleman relate that to the bill now before the committee?

**Mr. Knight:** I am just coming to the bill. I know the Secretary of State is wondering why we should have to put up with this kind of stuff and I agree with him, but I am now going to relate this to the bill now before us.

I will now come to some facts which I will present to the committee and which I hope my hon. friend the Secretary of State will think over. In that other case of last session it was unfortunate that one of the members in this house happened to be a partner in the law firm which brought that petition and I am going to say now that I have complete sympathy with the hon. member in this house who was somewhat similarly affected in the case of today. There is a member in this house today, and he is sitting in this house now, who found it necessary to resign from this particular committee because his son happened to be the counsel for the petitioner in this case. May I say that the hon. gentleman acted up to his name in being honourable. He came to me and told me the circumstances and explained why he was resigning from the committee and having nothing to do with the case. I expect he explained to other members of the committee also his son's connection with the case. My sympathy goes out to him in the awkward situation in which he was placed. His decision, of course, meant that he took no part in this case and he was a mere spectator. One can readily understand the awkwardness of the situation because in and about that committee he would naturally meet his son and his son's client, and that is not a very nice situation. Incidentally, when the hon. member resigned his resignation was put through this house, no doubt by the Liberal whip, though I do not remember the occasion. However, another gentleman was put on in his place and that particular gentleman happened to be one of those recorded as voting for this particular divorce. Incidentally, may I point out that I asked for a recorded vote on that committee and the names of those who voted for and against can easily be found on the records.

I have only another minute at my disposal, Mr. Chairman, and I want to say in regard to this case that I am going to go thoroughly into the evidence and deal with the matter in this house. I shall not mention any names but I am going to see to it if I can that this divorce bill does not pass for the reason that I think it should not pass, and when the third reading stage arrives I shall ask one of my colleagues to move that this bill be not now read a third time, but be read six months hence. May I call it six o'clock?

**The Deputy Chairman:** Shall I report progress and ask leave to sit again?

**Some hon. Members:** Agreed.

Progress **reported.**

**The Acting Speaker (Mr. Applewhaite):** At seven o'clock the house will resume the business interrupted at five o'clock.

At six o'clock the house took recess.

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## AFTER RECESS

The house resumed at seven o'clock.

## SUPPLY

The house resumed in committee of supply, Mr. Applewhaite in the chair.

### DEPARTMENT OF DEFENCE PRODUCTION

79. To provide capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to approval of treasury board, $25,000,000.

**Mr. Cameron (Nanaimo):** I should like to ask the minister which of the crown plants or the crown companies mentioned in this particular item are engaged in the production of aircraft or components of aircraft.

**Mr. Howe (Port Arthur):** I think every plant engaged in the production of aircraft or components of aircraft are included in this item to some extent. Avro of Canada has been the largest. There is Canadair, Lucas-Rotax, Pratt and Whitney, and Sperry. I think if the hon. member will name the plant, I can tell him whether or not it is included.

**Mr. Cameron (Nanaimo):** None of these are crown corporations?

**Mr. Howe (Port Arthur):** The crown owns the physical property. No; none of them is a crown corporation.

**Mr. Cameron (Nanaimo):** The physical properties are owned by the crown?

**Mr. Howe (Port Arthur):** Yes; the physical properties are owned by the crown.

**Mr. Pallett:** Can the minister tell the committee how much was given to A. V. Roe this last year? At the same time would he mind advising the committee whether, together with these grants, there was any form of control over the operation of the company? Also would he advise the committee in connection with those plants whether any agreements which the companies have entered into are ever assigned to the crown or directly to the department?

[The Deputy Chairman.]

**Mr. Howe (Port Arthur):** Mr. Chairman, I have been explaining that, where capital assistance is given, the crown retains the title to the asset created by the capital assistance. For example, we own the Avro engine plant, or did so until recently. We sold it back to the company some time ago. In some places capital assistance may extend only to machinery. If that is the case, we own the machinery that is purchased with the capital assistance. It is painted a distinctive colour, the number of the machine is registered in our central registry, and we are free to go in and recapture the machine whenever we like.

**Mr. Cameron (Nanaimo):** The operators pay no rent for this machinery?

**Mr. Howe (Port Arthur):** Not if they are working on government work. However, if they are working on private work they pay a rental.

**Mr. Pallett:** Will the minister tell me whether any agreements entered into by A. V. Roe have been assigned to the crown? I refer specifically to a water agreement with the township of Toronto which was originally entered into when this was a crown company, and then the assets were sold to the A. V. Roe company as a private company. I wonder whether the minister would say what disposition was made of that particular water agreement?

**Mr. Howe (Port Arthur):** That agreement is rather complicated in that the final negotiation is just in progress at the moment. The original arrangement has been revamped. The original arrangement was that we would put up the money through Avro. I think it was an amount of $450,000. The water supply plant was built using those funds. The arrangement was that the money was to be returned to Avro and as Avro recovered the money, the money was to be returned to us. I understand that a new arrangement is being negotiated which is a little bit more clean-cut than the other one and which will be more satisfactory to all concerned.

**Mr. Pallett:** I have another question. Is the crown a party to this new agreement or is it between A. V. Roe as a private company and the municipality?

**Mr. Howe (Port Arthur):** The crown is not a party to the agreement; no. It is between Avro and the municipality.

**Mr. Pallett:** Will the minister also answer my first question as to the amount of aid that was given to A. V. Roe during this last year?

**Mr. Howe (Port Arthur):** The actual expenditure in 1953-54 as of May 31, 1954 was $6,526,525. Is that the figure my hon. friend wanted?

**Mr. Pallett:** Yes.

**Mr. Fleming:** That brings me back to the questions which I asked the minister this morning and which arise out of this sale of the A. V. Roe plant at Malton to A. V. Roe Canada Limited. May I ask what policy is involved here or what led to the purchase? Is it the government's policy to dispose of these plants? I understood that the price was designed to recoup the government for the actual money it put into the plant, namely, some $17 million. I come back to the questions I asked this morning. What is the policy of the government with respect to plants of this kind in which the government has had a proprietary interest?

**Mr. Howe (Port Arthur):** The government builds a plant for a particular function. For example, in order to produce the CF-100 and the Orenda engine at the rate required it was necessary to build additional facilities for Avro Canada. They were not available elsewhere. The facilities were built by the crown and were owned by the crown. We received an offer from Avro to pay for the facilities; that is, we received an offer to pay for the building, the crown to retain the machinery. The arrangement entered into was that the payment would be the actual amount expended less normal depreciation on the building for the period of its productive use. I think I could give my hon. friend the figures if he wants them.

**Mr. Fleming:** I think probably the figures I gave this morning are approximately correct.

**Mr. Howe (Port Arthur):** Yes.

**Mr. Fleming:** In other words, the crown had invested some $35 million in the plant and had sold the building for between $17 million and $17,500,000, retaining the equipment in which there is an investment of about $17 million. But I am rather seeking the policy involved. Is it the policy of the government to dispose of crown-owned plants, where it is possible to do so, on the basis of recoupment of the crown's investment in them?

**Mr. Howe (Port Arthur):** Yes. So long as the crown is protected in the sale, it is our policy to sell plants built for the Korean emergency on that basis, namely, the cost of the plant less normal depreciation during its period of use. The protection in the Avro deal is found in this clause:

> Whilst reserving the right to engage in other activities if the volume of Canadian government contracts so warrants, Avro hereby declares that its primary fields of activity are the manufacture of aircraft, aircraft engines and associated equipment, and design and development relating thereto, and agrees that the assets hereby purchased will be made available for such manufacture, design and development during a period of ten years from the date hereof, and that, during such period, Avro will give priority to the performance of contracts entered into with Her Majesty.

That is the standard clause which protects the position of the crown in the event of a sale.

**Mr. Fleming:** I take it that it is the policy of the government to dispose of other plants on similar terms.

**Mr. Howe (Port Arthur):** That is right.

**Mr. Fleming:** One final question about equipment. With such protection as is afforded by the clause the minister has just read, was there some reason for retaining the ownership of the equipment or was it that the A. V. Roe company was not prepared to purchase the equipment?

**Mr. Howe (Port Arthur):** The company was not prepared to make an investment in special purpose equipment of that magnitude. My hon. friend is somewhat underestimating the value of the equipment. The total cost of the plant is $53 million, and the difference between the $53 million and the $17 million represents the cost of the equipment. The equipment is specially procured to manufacture a certain type of jet engine. That equipment is owned by the crown and ownership will be retained by the crown unless it is decided to dispose of the equipment at a later date.

Item agreed to.

*80.* To provide for payment of grants to municipalities in lieu of taxes on crown-owned defence plants operated by private contractors. $400,000.

**Mr. Pallett:** I have some comments to make on this item. While these plants are crown-owned, the people who are operating them are operating various types of businesses in competition with people who own their own plants and who are paying the local municipal levy at the regular assessment rate. I suggest to the committee that preferential treatment is given to people who are operating manufacturing concerns in crown-owned buildings. My other point is that the services required for crown-owned buildings are no less than those required for other types of buildings in a municipality. I suggest that

a proper form of paying these taxes be adopted and that taxes be paid on each building on the basis of the assessment as determined by the municipality rather than adopting a rule of thumb method by which one municipality gets $10,000 and another one gets a different amount without any proper basis being established to give these grants in accordance with the needs of the municipality and the assessment determined by the municipality. It would seem to me that an amount of $400,000 for 1953-54 and the same amount for 1954-55 is not consistent with the fact that municipal taxes are rising because of increased costs. If your assets have remained approximately the same over the two years and you are still paying the same amount you have not taken into account any increase in the municipal burden in the last year.

I strongly suggest to the committee that this figure must have been picked out of the hat somewhere along the line and that it cannot be based on any factual foundation. I suggest that consideration should be given to paying the municipalities the actual taxes that are determined by them on the basis of the assessed value of the properties rather than to give a grant that to my mind has no sound basis.

**Mr. Howe (Port Arthur):** If I may clear up the first point with respect to these plants being in competition with privately-owned industries, that is not the case. If privately-owned industries were able to do the job we would not have built the plants. These plants are built for special purposes. It sounds quite logical to my hon. friend to say that we should pay whatever the municipality assesses, but there are several factors that interfere with that. One is that we often furnish services that other plants would expect to receive from the municipality. That is one factor. Another factor is that under the British North America Act the crown is not liable for taxes. Therefore instead of paying taxes we make a grant in lieu of taxes, but the grant is generally comparable to the taxes that a privately-owned plant would pay under exactly the same circumstances. Often it is a bit more than the privately-owned plant is paying. Usually privately-owned plants have tax deals going back many years which protect them today. If my hon. friend will suggest a township that thinks it should do better I will be glad to discuss that particular problem. It is difficult to discuss the problem in general.

**Mr. Pallett:** The minister suggests that these plants provide services that other plants do not provide. What does he have in mind?

[Mr. Pallett.]

**Mr. Howe (Port Arthur):** Often water and light.

**Mr. Pallett:** Water and light.

**Mr. Howe (Port Arthur):** And their own fire protection as a rule.

**Mr. Pallett:** The minister also referred to tax deals. Does the minister know of any particular tax deals entered into by private firms that are prevailing at the present time in the province of Ontario?

**Mr. Howe (Port Arthur):** I know of a lot of private tax deals. I helped to negotiate them in my days of private practice as a consulting engineer.

**Mr. Pallett:** That prevails at the present time in the province of Ontario? There are none in the province of Ontario.

**Mr. Howe (Port Arthur):** No, no.

**Mr. Pallett:** I think that is a misunderstanding that should be clarified at this point.

**Mr. Howe (Port Arthur):** If my hon. friend knows of any complaint about our tax arrangement perhaps he would tell us about it. We settle these matters by negotiation with the reeve of the municipality. To date we have been quite successful in working out a result reasonably satisfactory to both parties, and I think if we are allowed to work out our own salvation we will continue to do so.

Item agreed to.

Canadian Arsenals Limited—

*83.* Construction, improvements and new equipment, $4,777,000.

**Mr. Cameron (Nanaimo):** Can the minister give us any information on this item? I notice that we are going to spend almost two and a half times what we spent last year, and yet on page 12 of the report of the department I find these words:

> Most of the key defence facilities needed for the present defence program had been established by the end of the year and, with the major expansion of plant and equipment completed, the need for capital assistance decreased.

There may not be any conflict here, but it seems strange to find an indication in this report that the major construction is through and then to see an item almost two and a half times as large as last year.

**Mr. Howe (Port Arthur):** That expenditure is largely for Canadian Arsenals, to be expended at their explosives plant at Valleyfield. The nature of ammunition is constantly changing, and we find that we must provide for the manufacture of a new type

of explosive, particularly for rockets. That expenditure is for that particular purpose. It is a crown-owned plant.

Item agreed to.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Civil defence—

*288.* To provide for the civil defence program, $6,498,253.

**Mr. Pearkes:** Does the minister wish to say anything on this important subject at the present time?

**Mr. Martin:** Not at this time.

**Mr. Pearkes:** I feel, Mr. Chairman, that this subject is of great importance to the life of this country and even though the session may be far advanced and we are all hoping to return to our homes in the near future, I do believe that some words should be said on this matter. I should like to offer a few observations. During the past day, and previous to that during the month of May, we were discussing the estimates of the Department of National Defence. We have passed in the estimates for that department the sum of approximately $2 billion, but I must call attention to the fact that the armed forces would be quite useless, no matter how strong they might be, if the civilian base of this country were knocked out and if the will of the civilian population were destroyed.

So far as the defence of this continent is concerned, the responsibility of the armed forces, of course, would be to keep the attacking enemy as far away as possible from our Canadian cities. It would also be the responsibility of the armed forces, I should think, to provide the civil defence organization and the peoples of the land with as early warning as possible. Having discharged those duties, it would seem to me that the responsibility for limiting the damage which might be caused, taking care of the casualties and mitigating the general suffering which would be inherent with that attack, would be the responsibility of the civil organization. I do not believe we can be so optimistic as to think we can stop every bomber from getting through. Some will get through to their target, but we trust that the numbers will be extremely few.

If any bombers do get through, many of the essential services will be destroyed. It will be the responsibility, therefore, of the civil organization to restore those essential services and ensure that there is as little disruption as possible to the general life of the country. I think, in broad general terms, that might be considered as an indication of the sort of tasks, the sort of objectives, of any civil defence organization which exists.



Some four or five years ago in this house I suggested that the responsibility for civil defence be removed from the Department of National Defence to some other department. Shortly after I had made that suggestion—no doubt other people had made it before—the Prime Minister removed the responsibility for civil defence from national defence to national health and welfare, thereby, rightly in my opinion, emphasizing the essentially civilian nature of civil defence. After all, civil defence really boils down to a scheme, in the main voluntary, in which one neighbour prepares himself to help another neighbour in the event of the dire results of a war and an attack upon this country.

I believe that the neighbourly nature of civil defence should be emphasized. I, for one, do not regard civil defence as a sort of fourth arm of the fighting services. Some people do. Since that day when civil defence was placed under the Minister of National Health and Welfare there have been considerable strides made in the development of our civil defence organization. Only those who fail to appreciate the difficulties that confront any department which tries to build up an organization which is essentially voluntary, the objects of which are rather nebulous, would dare say that the scheme for civil defence to date has been a failure. I do not believe that, and I should like to go on record as paying tribute to all those people who have taken part in building up the organization, from the minister and his staff here in Ottawa to the permanently employed officials in the various provinces and municipalities and the thousands of voluntary workers who have come forward and given of their time to try and create this great scheme for civil defence.

If the development and progress can be recorded, at the same time I do not think we can sit back and say that the progress is entirely satisfactory and that we do not feel that further endeavours should be made. The amount of progress which can be achieved will, to a certain extent, depend upon the funds which are voted by this parliament. I notice that when the present minister took over this department he had to get through as best he could with what I described as a very meagre amount, some $2 million. I notice that in more recent times the amount has advanced to somewhere in the neighbourhood of $6·5 million. I do not think that amount of money has been spent during the last year. There may be reasons why the sums voted by parliament for civil defence have not been spent. At the same time I feel it is highly desirable that the department should take full

advantage of the funds which are made available by this parliament for the purposes for which they are allocated.

The general system, so far as I know, for the allocation of funds is that the federal government contributes dollar for dollar with each province. Each province has to be prepared and willing to enter into that dominion-provincial scheme. I regret to say that all the provinces have not agreed to go into that scheme and therefore we find that progress throughout the country is varied. In some provinces where they are keenly alive to the necessity of civil defence, and where the provincial contributions have been generous and have been matched by the dominion grants, there can be seen definite progress.

But as there are still some provinces I believe which have not entered into the scheme, such information as I have would indicate that the progress has not been as satisfactory in those provinces. In spite of the lack of any provincial grant, some municipalities in those provinces have made very considerable grants out of their civil funds, and I think a great deal of credit is due to those cities and urban centres where they have made contributions out of their very limited resources which, unfortunately, cannot be matched by the federal grants because those federal grants are allocated only for the help of the provinces. However some assistance can be given in the way of equipment.

Until there is a uniform system throughout the country, and a recognition on the part of all levels of government as to their own responsibility, and until those responsibilities are clearly defined, we shall never have a uniform system of civil defence across the whole of our land. It seems to me we are now threatened with what amounts to a new look, so far as civil defence is concerned; because the original civil defence plan was designed, first of all, to take care of the casualties and the damage caused by the ordinary high explosive bombs. From there they moved forward to the Hiroshima type of attack, by the A-bomb. Now we have reached the position where there is a far more deadly bomb, sometimes referred to as the H-bomb, and which is known to be in the possession of many powers.

Therefore it would be foolish for civil defence merely to base its plans for organization on the assumption that we might be attacked only with high explosive or even with A-bombs. The devastating effect of an H-bomb is, shall we say—and I do not think I am exaggerating—ten times as great as might have been experienced from an A-bomb of the type used at the end of the war.

[Mr. Pearkes.]

Instead of only partially destroying a limited area in a city we must fact the fact that it is possible now for whole cities to be destroyed.

And so I say we have to take a new look at our civil defence. And if we are going to do that, then it seems to me now is the time when we have to invest real authority in the hands of the minister responsible for the department, and when we have to give him a constitutional position backed by an act of parliament. I think the time has now come for the government to give serious consideration to the introduction of a civil defence act. This is not a new or original idea. There are civil defence acts in existence in the United Kingdom, in the United States and in several of our provinces. But in this country where we have a federation, and where a great deal of autonomy is vested in the various provincial governments, I feel that in a matter which transcends boundaries between provinces and where co-ordination is required from the Atlantic to the Pacific now is the time for the government to introduce a civil defence act.

I make that suggestion to the minister because I know that all matters dealing with civil defence are the concern of many different departments. Obviously one realizes at once the interdependence of civil defence with the Department of National Defence. But then one need only stop for a moment to realize that civil defence is very closely related to other departments. Obviously, if there is going to be a destruction of public services, then the Department of Public Works would be very closely related with the work of civil defence. It would be closely related, not only after a bomb had fallen but in the preparatory stages before an attack.

For instance one of the major threats in civil defence matters today is the necessity of evacuating many of the larger cities. Exercises were carried out in a northwestern state recently in which large cities were evacuated, and most important lessons were drawn from that plan for mass evacuation. In a country where so many of our cities are located on rivers, and where our highways are limited, it can easily be seen that in the preparation for the evacuation of any of our large cities it might be necessary to have an extensive public works program. Perhaps one might have to provide additional bridges or tunnels, or to make new highways leading out of cities. All those things are very closely related to civil defence planning. Transport enters into the question. Of course the railways have to be kept running and the mails must be delivered. There must be protection against the possibility of sabotage.

The Department of Justice enters into the picture because there would be all kinds of legal matters. And so, without enlarging on the point, I feel some sort of committee of ministers may have to be set up; and certainly the various departments will have to have persons allocated as secretaries for civil defence matters in those particular departments.

I think the time has now come when not only should we have an act governing civil defence regulations, but that there should be an official at the level of a deputy minister who would be in charge of civil defence, who would be able to confer with senior officials in other departments, and who would have to have seniority sufficient to permit him to attend meetings of chiefs of staff.

Then you say: What subjects would a civil defence act be expected to cover? Well, I can only outline these. My ideas are drawn from existing civil defence acts. For instance, the responsibility of the civil defence minister would be defined in relation to any civil defence services which exist. There are a limited number of regularly employed civil defence personnel. At the present time they are in the main restricted to instructors in the various provinces. I am not certain that an expansion is not required in that respect.

In other countries there is the idea of flying columns or very mobile columns of civil defence workers who are always ready and available. One can see in the thickly-settled portions of our country in eastern Canada the value which would accrue from having a number of flying columns located outside of the principal cities so that they could move in, in case of a disaster. Those flying columns, at least some of them, should be permanently enrolled, and those that are permanently enrolled during the time when there is no threat could be used, it seems to me, as administrators and instructors.

Then of course the majority of the corps of civil defence workers would be those who are not permanently employed in civil defence work, and there are that great mass of men and women who are voluntarily giving their services at this time. But surely responsibility rests on the shoulders of the minister in so far as those voluntary workers are concerned, and obviously the definition of those responsibilities would be laid out in any act.

Furthermore, there is the whole question of the storage of essential equipment. If one is going to work on the assumption that evacuation may be necessary in certain areas, provision has to be made for the caring of the people who have been moved out of some city, and who will at least for the time being have to sojourn in the rural districts surrounding that city that may be the target. Whether the bombs have fallen in that city or not, anyway, for the time being the care of those people will have to be looked after.

There are bound to be questions regarding the acquisition of land for the building of shelters, report centres and that sort of thing. There will be much that will be required along these lines. Therefore, I feel there are many responsibilities which have to be clearly defined, and can only be clearly defined and can only be given a legal status if they are incorporated in an act of parliament.

Then comes the question of the financial responsibility between the various provinces. We cannot go on any longer in this haphazard way of saying that if a province wishes to make a contribution for civil defence, then the federal government will match its contribution. We have got past the day when it is purely a local responsibility.

Earlier I indicated that there may be some major construction works which would be required if we are working on the thought of possible evacuation of certain areas, or even if we are providing some sort of shelters for essential plants, industrial work, or organizational headquarters. It seems to me that the construction of those major projects should and must be undertaken by the federal government. I do not think that you can place the responsibility of developing a major constructional project upon some local organization. I suggest that it will be essential that we have drawn up in this act a very clear definition as to responsibility as it exists between the various levels of government. I do feel that if the time has not come when the federal government is prepared to take over the full responsibility for civil defence, certainly the time has arrived when the federal government must take over responsibility for the major constructional projects which are required under what I have referred to as the "new look" which must be given to civil defence.

If there is a sudden emergency we may expect that the army is in training or in the process of mobilization in Canada and will be able to take over some of the duties of civil defence in the early stages of any war; but if the army is called upon to do that you are delaying the important tasks which confront the army because in those early days of mobilization any distraction from the process of organizing units and training men only delays and may very easily be disastrous with respect to the army's entry into the war. Therefore I feel that one has to have

the civil defence organization in existence in peacetime. You do not want the full organization, but there must be a nucleus around which you can build up very rapidly the required services.

I have mentioned the question of the importance of having mobile columns outside of the cities. I go one step further. I am not satisfied that the mobile columns should be more and more equipped with motor vehicles, but I think you have to have them airborne and possibly using helicopters so that they can enter into a devastated area. They are the key people who would be able to take charge at once, who will be able to restore the broken services and will be able to supervise the voluntary workers who will be partially trained.

I feel there is a danger in relying too much upon the armed forces to provide that essential work, and in fact I have from the very beginning stressed what I consider to be the civilian nature of civil defence. I see great need for skilled traffic control personnel provided by men who have had experience in organizing great parades or supervising spectators going to some large sporting event.

I hope the minister, before these estimates are put through, will be able to outline what progress has been made. I should feel happy if he would say that he is prepared to introduce at the next session of parliament a civil defence act, because I do not believe we are going to make any progress until we get an act of that nature. In addition, before the estimates are concluded I hope the minister will be able to tell us something about the financial responsibilities as between the different layers of government. I do not think this haphazard take it or leave it attitude is satisfactory, and it does not assure the sort of co-ordinated scheme covering Canada that we need at the present time.

**Mr. Cavers:** Mr. Chairman, I should like to take advantage of this occasion to say a few words on this important matter of civil defence. It is a subject which should be of utmost concern to every citizen because it comes so close to the very life of every person in Canada. Great progress has been made by the department of national welfare in the past few years and I am glad the Minister of National Health and Welfare is in the house at this time because he has shown an intensive interest in the organization of this branch of his department. The best evidence of his determination to do something about civil defence is the fact that no less than 650 Canadian community civil defence organizations are now in existence.



In more than 200 communities, of which St. Catharines and Lincoln county is an outstanding example, these services are organized and personnel are being trained. The remainder are now in various stages of organization, training, and development. To man these organizations throughout the country more than 163,000 people have been enrolled for various important duties. It is hoped that this total, which includes civil government employees and citizen volunteers, will be substantially increased over the next 12 months.

I have made mention of the extent of local organization across the country because it is local effort and individual initiative that is of importance in the problem of civil defence. I agree with the hon. member for Esquimalt-Saanich when he says that civil defence should not be the fourth arm of the army. I think civil defence is a task which should be assumed by the citizens in our country in a neighbourly fashion so that neighbours are working together for their self-preservation. Most localities have tackled the problem in a realistic manner, but in some municipalities the effort has fallen far short of what is required if we are to give adequate protection to our citizens.

We have a great need for civil defence in Canada. While Canada, with other freedom-loving nations, is making every effort to secure world peace by mediation and diplomatic negotiation at the United Nations, and by building up a bulwark against aggression through the instrument of NATO, we must recognize that the threat of war is ever present. It is well for us to make reasonable preparation for the protection of our civilian population and of essential public services now existing within our communities.

At one time in our history, wars were fought on distant battlefields, far distant from the civilian community. But today, with the evolution of guided missiles and atomic warfare, war has been brought to our very doorsteps. We cannot enjoy a sense of security even in our own homes. Should a major conflagration take place in this country then civil defence will be our first requirement. It has been said, and said quite rightly, that civil defence has added a third dimension to citizenship, namely, the obligation to protect ourselves and our homes from direct enemy attack.

The targets for any possible future enemy attack would be our heavy industrial installations; our hydroelectric developments; and our transportation systems on the land, in the air and on the water. Within the past week I read, as no doubt did other hon. members, a pamphlet known as *The*

*Bulletin* published by the Canadian Industrial Preparedness Association and in the course of an article on management in civil defence it is asserted that it is the individual responsibility of management to take care of civil defence in their own line of business. The article continues:

> To assist plant management, the federal civil defence co-ordinator has in process of publication a revised "Civil Defence Manual No. 6" which deals with industrial plant protection. It should soon be available in quantity, either directly or through provincial co-ordinators. This manual in itself is able to give only an outline, but it does lay down the principles involved and suggests steps to be taken.

I am sure that industrialists throughout our country will avail themselves of the opportunity to develop a civil defence organization within their own plants. It is probable that these key locations I have mentioned would be the centres of strategic importance most likely to be attacked.

Steps have been taken by the federal government to provide a system of advance warning so that provincial and local organizations can be alerted to the danger of enemy air attack. The armed forces have established a radar system across the northern part of this country to detect and identify unknown aircraft which might come within our borders. But once the warning has been given the local civil defence organization comes into operation.

The aims of civil defence are to reduce loss of life; to avoid confusion among the local citizens; to provide medical and nursing assistance; to restore public utilities that might be blown up; to minimize property damage, and to ensure the continuation of essential industries. Those are the problems that concern our civil defence organizations if we should be attacked.

I have emphasized already what I believe are the essential steps to be followed in the successful establishment of civil defence groups. In order to establish a strong local committee it is necessary to supply strong, aggressive, and courageous leadership. We, in the county of Lincoln, have been fortunate in finding an individual with such qualities in the person of Brigadier General R. Gordon Whitelaw. Brigadier Whitelaw distinguished himself by his outstanding service in two world wars.

He has thrown himself into the work of civil defence organization in an enthusiastic and vigorous manner. His hours are long; his effort is tremendous and he serves without remuneration of any kind. I wish to express publicly my thanks to Brigadier General Gordon Whitelaw for his unselfish devotion to duty in this field of endeavour. Brigadier Whitelaw has gathered about him a corps of outstanding people with a spirit of community interest, including merchants, industrialists, factory employees, professional people, and agriculturists who are giving of their time and effort providing a strong organization in our community.

Brigadier Whitelaw tells me he feels that a reasonable start can be made only by educating the general public to the dangers that are around us and the need for the protection of our citizens. Three series of articles were published by the local group in the St. Catharines *Standard,* the local press. Two panel discussions have been broadcast over radio station CKTB and over 8,000 pamphlets on personal survival have been distributed in the local area. A civil defence week was observed last October when two special programs were staged in all local theatres. The John Labatt civil defence disaster convoy was brought in for demonstration in Thorold, Merritton and St. Catharines. Civil defence literature has been handed out by I.O.D.E. volunteers in several larger stores in the district. The director himself has addressed 56 meetings of service clubs, veterans clubs, home and school associations, church groups and parent-teachers groups.

Great care must be taken in the selection of suitable personnel for key positions. As an example, Mr. Joseph Bishop, who had had considerable experience in demolition clearance in England during the war, was given complete charge of this branch of the work. A medical man was given charge of the emergency and ambulance branch, and so on. The organization is set up on a control system. It provides for a central committee made up of representatives from all the councils of the municipalities concerned. The director, of course, is the head of the organization and he has under his jurisdiction three deputy directors: deputy director G in charge of intelligence, deputy director A in charge of personnel and administration, and deputy director Q in charge of supply, equipment, transport and buildings. These men, in co-operation with the fire-fighting group, the police group and the rescue group are able to provide a nucleus for a great service in our community.

A bimonthly civil defence newsletter is sent out to all civil defence personnel. Those newsletters are well worth reading. There are approximately 2,200 in the organization who are receiving weekly training. It is difficult to obtain trained instructors and suitable accommodation. Several of our outstanding citizens have taken advantage of

the excellent courses provided by the Department of National Health and Welfare both here and at the new school in Arnprior. I am informed by these people who have become prominent and efficient leaders that the courses which they have received have provided them with excellent experience in this type of work.

The city of St. Catharines has turned over one of the unused city schools as a headquarters for civil defence activities. In this building equipment is stored and classes of instruction are carried out each week. The director has held 198 conferences for local civil defence key personnel in order to explain their responsibilities and duties and to discuss methods of procedure.

It is interesting to note that the federal and provincial governments have agreed to pay compensation to enrolled members of civil defence organizations who might be injured or maimed during their course of instruction or training.

Excellent progress has been made in organizing civil defence in St. Catharines and district schools. A co-ordinator and two deputies have been appointed. They work in conjunction with the principals and teachers in the schools, both public and separate, and they are providing each day drills for the children of the city in order that they might be made aware of what they ought to do should an attack come.

Each year the St. Catharines civil defence organization enters into a joint scheme with Niagara Falls, Ontario; Niagara Falls, New York; and other border communities in order that they may carry on a joint evacuation in the whole Niagara frontier. The effort last year held in October was most successful. It is anticipated that better results will be achieved when the Niagara Falls, N.Y., exercise is held this coming October.

What is the cost of this program? I believe it is important that I should say something about the cost to local municipalities. The total budget for the areas engaged in this work amounts to $6,291.11. It is distributed among their local municipalities as follows:

Distribution of Civil Defence Budget

| Municipality | Per cent | Total Cost |
|---|---|---|
| City of St. Catharines ..... | 55·502 | $3,330.12 |
| Township of Grantham .... | 24·053 | 1,443.18 |
| Town of Thorold ..... | 9·636 | 578.16 |
| Town of Merritton ..... | 7·055 | 423.30 |
| Town of Port Dalhousie .... | 3·754 | 225.24 |
| | 100·00 | $6,000.00 |
| Carried over from 1953 ..... | | 291.11 |
| | | $6,291.11 |

This is the effort that is being made by the municipalities throughout the county of Lincoln. I think it is a good record. I think it is probably a better record than that of some other parts of Canada. I am hopeful that some scheme may yet be devised between the province of Ontario and the federal government in order that the municipalities in our community may avail themselves of the opportunity to obtain from the federal government some grant to assist them in this type of work.

Why is it so difficult to organize civil defence in Ontario and throughout Canada? The first reason is that none of our cities have ever suffered a really serious actual disaster. The second reason is that Ontario, being far removed from both seacoasts, has not been seriously threatened by war for nearly 150 years. These reasons must be blamed for much of the public apathy that exists at the present time. However, I believe that I have pointed out tonight that given the proper leadership, maintained by adequate municipal support and the encouragement and assistance of the Department of National Health and Welfare, any community can build for itself an adequate measure of protection for its citizens who may be under severe stress and heavy attack.

**Mr. Herridge:** Mr. Chairman, I listened with great interest to the constructive and interesting remarks of the hon. member for Esquimalt-Saanich. I think he made a most interesting contribution to this debate. I listened with interest to the speaker who has just resumed his seat, particularly because he emphasized one aspect of civil defence that has been very much in my mind in recent years. I have taken an interest in the subject ever since civil defence was organized. I have kept in close contact with the officials of the various municipalities in my riding, the civil defence co-ordinators, the fire chiefs and other interested people in local groups, and I have had an opportunity to discuss the varying and changing problems with these people.

I must say I represent a constituency that, relatively speaking, is very well organized for civil defence. As a matter of fact the province of British Columbia is, relatively speaking, well organized for civil defence, particularly when you realize that 2·5 per cent of the total population of the province is enrolled in the civil defence organization at this time. But we have even beaten that in Kootenay West. I have one community, Kinnaird, in which 10 per cent of the total population are enrolled in the civil defence organization.

I think the hon. member for Esquimalt-Saanich hit the nail on the head when he said that this is the result of neighbourly co-operation. In fairness to those who live in larger centres, I think I should say that I have found from experience in all types of community activity that it is much easier to get neighbourly community co-operation in a small community than in a large city because in a small community each person who is a member of the organization or unit feels that they are wanted, that they are someone important and are doing an effective job.

I quite realize that city conditions present a greater problem to the organization of civil defence than small communities. As far as Kootenay West is concerned, the whole idea of organizing civil defence has been to organize it to meet any form of disaster. We recognize the necessity for civil defence to meet the possibility of disaster from attack. We have dealt with the question of floods on the Columbia and Kootenay rivers, the possibility of having to deal with large fires and with forest fires. Only within the last month or two it was anticipated for some two or three weeks that the Columbia river might rise and seriously flood a portion of the city of Trail and other communities. I may say that the whole civil defence organization was ready to go into action at a moment's notice to build dikes and provide the things required to protect the city of Trail and other communities against the possible flooding of the Columbia and other rivers.

I must repeat again that for civil defence to be successful the first necessity is that it must be based on local interest, local organization and local co-operation. In my district in all the municipalities the great majority of local organizations such as the Red Cross, the Legion, trade unions, fire brigades and so on, the Consolidated Mining and Smelting Company, the West Kootenay Power and Light Company, all the large logging companies and their employees have worked together through elected representatives to build a foundation for a very successful civil defence organization under excellent local leadership. I have definitely come to the conclusion that no federal or provincial action with respect to civil defence can be successful unless you have that sort of co-operation at the local or rank and file level. That is the reason for the measure of success that has been attained in the district I represent.

Before passing on, I want to pay particular tribute to Major Matheson, who was the co-ordinator in the Nelson area covering the greater part of Kootenay West and the small communities, and to Mr. Marcolin, of Trail, who is the co-ordinator for, you might say, the target area of my constituency. They have both done excellent work in dealing with the questions of evacuation, rescue, medical attention, transportation, communication, organization of food supplies and reception areas. Every outlying village in my district has been visited. There are local committees. Every house, every hall, every building capable of receiving people has been listed. Even my own little log shack is going to be used in case of necessity. All the local fire brigades are taking an active part in this organization.

Earlier in the debate I heard some reference to hose standardization. Hose standardization has been in effect in British Columbia and Alberta as a result of the provincial governments concerned accepting their responsibility in that respect. So far as the question of hose standardization in British Columbia is concerned, it was the fire chief of the city of Nelson who first emphasized that at the first meetings held in Vancouver when the civil defence organization was formed. A number of our active workers in civil defence have attended the civil defence school in Ottawa. They have come down here over a period of two or three years and all of them tell me that they were very pleased with the training and experience and that they thought the training, experience and information they received were most useful and beneficial.

But now we meet a new situation. As the hon. member for Esquimalt-Saanich said, we need to take a new look at civil defence, and that is recognized by all these local groups that are doing such good work. I think recent developments require a re-examination of the whole civil defence organization and the measures taken to defend and protect the civil population. In that respect I have seen editorials in many newspapers, and I should like to quote a paragraph from one that appeared in the *Citizen* of April 12 headed "Civil Defence in the H-Bomb Age". It reads in part as follows:

> Civil defence plans are everywhere undergoing a re-examination as a result of the H-bomb explosions in the Pacific. Although discouragement was the first reaction, second thoughts confirm the importance of continued efforts to prepare for disaster. Plans must, of course, be adapted to the possibility of destruction more terrible than the atomic bomb could produce.

I think that reaction to recent developments must be met by the federal government and those responsible at senior levels by some guidance, some instruction and, shall I say, some new leadership. I was particularly interested in the remarks of the

hon. member for Esquimalt-Saanich with respect to this suggestion that we should have a civil defence act. I had not considered the question before but it seems to have a great deal of merit. Having thought it over since the hon. member spoke, it is my opinion that federal civil defence legislation will dissipate the amorphous situation that exists to some extent at the present time in the administration of civil defence throughout the country.

I hope the minister will give close attention to that suggestion. I also think, in view of the differing financial capabilities of the various governments, that the federal government should reassess the capacity of certain provincial governments to undertake civil defence satisfactorily. Like the hon. member for Esquimalt-Saanich, I do not think it is sufficient to say: If you wish to go into civil defence, we will go along with you and share some of the expense. I think the provincial governments have got to accept their responsibility. That is why I think civil defence legislation would remove somewhat the lack of cohesion that exists today, would define exactly the responsibility of federal, provincial and municipal governments and the people themselves, would provide an opportunity for a definition of the financial responsibilities of all levels of government, and would in general provide the cohesion through legislation that I think is necessary to bring civil defence to the peak of efficiency necessary in Canada at this time.

**Mr. Holowach:** I should like to say a few words with respect to the subject under discussion at the present time. I do so because I believe that civil defence is a matter of immediate urgency and grave concern to the people of Canada. Fundamentally civil defence involves the safeguarding of Canadian lives. Since there will be no time, in the event that hostilities and all-out fighting begins, to make preparations, advance preparations are necessary.

**Mr. Martin:** Will the hon. member excuse me if I leave the chamber for a few moments? I shall be right back and I have asked that the hon. member's remarks be followed closely.

**Mr. Holowach:** Certainly. Advance preparations may well mean the difference between some semblance of morale and ultimate victory and chaos and defeat.

No sane person in the country wants blood spilling. We certainly hope that civil defence will never become a reality in Canada. In the light of what is happening in the world today we have no other recourse except to take every precaution we possibly can. For those reasons and many more it is regrettable that this important subject, and many of the other controversial matters which are on the agenda at the present time, were not brought up sooner because they certainly justify the full force of debate and the views of every single member in this house.

We notice in the estimates for 1954-55 the vote for civil defence is listed as $6,498,253, which implies a decrease of $8,034 as compared to the amount in the estimates for 1953-54. In comparison with the amounts that are being spent on military defence, I feel that this is but a scratch on the surface of the problem. We read every day in the newspapers of the precarious state of affairs in the world. I personally look upon civil defence measures as being equally as important as military defence. These two precautions certainly cannot be divorced from one another. The urgency of building up our civil defence program is clearly illustrated by statements that appear in our daily newspapers. Here is one that appeared in the Montreal *Gazette* of June 19, 1954. The heading reads, "Ottawa favours nuclear weapons in any war". It is written by Dave McIntosh, and the article goes on to say:

> Canada's defence officials favour—out of necessity—use of nuclear weapons in the event of war.

Further on the article states:

> Canada's defence chiefs do not hold any false hopes that the North Atlantic alliance forces in Europe could beat Russia on the ground. NATO forces are considered the barest minimum to hold off a Russian attack long enough for the United States air force and the R.A.F. to swing into action with nuclear weapons and destroy Russia's ability to wage war.

We know that such action could bring counter-strikes upon our own country. In reviewing the present military situation Field Marshal Viscount Montgomery speaking in Paris on May 24 emphasized the urgency of civil defence. The statement appeared in the New York *Times* of Tuesday, May 25, and reads as follows:

> A successful western defence against this threat requires up-to-strength, combat-ready regular army divisions, well-organized reserves, trained and ready to fight, a supply system built in peacetime and ready to roll in war, and sound civil defence and home-front morale.

It seems to me, Mr. Chairman, that the urgency of civil defence might best be understood by illustration. There are two facts which I believe are proper to recall at this time. The first fact is that those forces opposed to our way of life are on the offensive. We are on the defensive. They certainly have as their ultimate aim world conquest for communism. Flush with various

diplomatic victories at Geneva and elsewhere, armed with propaganda and great military strength, they now control an area from the river Elbe to the borders of Alaska, an area inhabited by over 800 million people or one out of every three human beings who inhabit this planet.

With some of the south Asian countries unable to defend themselves, perhaps even before we meet again another 500 million human beings may be subjugated. I feel these facts emphasize the urgency of our own military and civil defence preparations. At this rate fragments of Europe and this continent may soon be the only places that are not under communist rule.

The second point I should like to make is that we are still free and unfettered and wish to remain that way. We insist that every precaution be taken, both from a military and civil defence point of view, to safeguard this nation. In order to be effective I believe that civil defence should be conducted on a municipal or community level with as little interference as possible from the central agencies. The matters of co-ordination of defence planning, standardization of defence equipment, guidance and financial cost should be federal responsibilities. This follows the precept that the first responsibility of the federal government is to safeguard the lives and interests of the people. I say this because it seems to me that much of our defence planning has been hampered by argument as to where the financial responsibility lies.

It seems to me we are wasting a great deal of time fiddling on the theme as to who is financially responsible when there is so much to be done and so little time in which to do it. We in the province of Alberta have from the very outset realized the responsibilities which we have in the matter of civil defence. I believe the minister will bear me out when I say that the government of Alberta has given full co-operation in the matter. However, simply because the government of Alberta gives full co-operation in the matter of civil defence should not mean discriminating against our province in the matter of financial assistance or that greater financial inducements be given to those who are less prone to assume their responsibility. A statement of policy from the minister at an early date clarifying the federal government's financial responsibility in this matter will, I believe, clear the decks for quick action and enable the various provinces to expedite those steps which will ensure some degree of safety for their people.



**Mr. Noseworthy:** Mr. Chairman, the position of this group was set forth capably on Saturday by my seatmate, the hon. member for Cape Breton South. He pointed out that we are opposed to any suggestion that control of civil defence should be vested in the military authorities or in the Department of National Defence. Rather, we think it should remain where it is, in the civilian department. We urge that the minister be given more authority either by legislation or by agreement with the provinces in order that he may be in a better position to seek co-operation and to assist in the co-ordination of the efforts of provincial and municipal groups in this matter.

In the third place we believe that the minister should have a much larger budget for civil defence than the one presented to us tonight. Yesterday we voted close to $2 billion for national defence; this afternoon we voted $40 million for defence production, and tonight we are asked to vote about $6,500,000 for civil defence. The contrast between these figures is, I think, some indication of the fact that the government itself does not take this matter of civil defence very seriously. Certain it is that it is not taken seriously in the part of Ontario from which I come. The metropolitan areas of this province just do not take civil defence seriously.

There is a great dearth of enthusiasm in the subject, I think partly because our people just cannot grasp the fact that an invasion and destruction of our country or our metropolitan areas is now possible. I do not think the serious threat to our country and indeed to civilization is realized by our people.

In the second place there is very little confidence that much can be done by way of civil defence to protect us from destruction by the hydrogen bomb. There is a dearth of information regarding just what is being done or what can be done. And there is I think a lack of confidence in the present civil defence program to meet the kind of emergency that we would be called upon to meet in case of invasion.

We continue to debate our constitutional rights; whether the federal government, the provinces or municipal bodies should accept the responsibility. We continue to quarrel about the division of costs, as to who should pay this and who should pay that. Meantime I think that we should either take this question seriously or forget about it altogether.

If we are to take it seriously, then I think it is necessary that agreement be reached with the provincial authorities whereby more power can be vested in the federal minister

in charge of this department, in order that we may really get on with the job of building up a civil defence organization across this country. And certainly the government should consider spending more money than is asked in this vote for that purpose. The amount of almost $6,500,000 we are asked to vote tonight is to be spent in this way: $2 million for administration, $2 million for grants in aid to the provinces, and $2,400,000 for materials and supplies.

As has been indicated already, a successful civil defence organization depends upon the co-operation of community groups and of provincial governments. But certainly the leadership for the development of a national civil defence organization must of necessity come from the federal department in charge. I think the provinces have some reason to disagree with the terms under which grants in aid are made. After all, in the event of invasion, and of our having to avail ourselves of our civil defence organization, of necessity most of the services and of the personnel will be supplied by the municipalities. In their personnel, in their local organization, in their hospitals and in their police forces as well as their fire departments, the provinces and municipalities have the nucleus of what eventually must become the main part of the local civil defence organization.

In the light of the provisions already made by local and provincial authorities, if the federal government is to take the matter of civil defence seriously and is anxious to see a strong organization built up across this country, then the federal government should reconsider the terms on which this paltry $2 million in grants in aid to the provinces is made. The federal government must come to realize that this is a much more serious business than it seems to realize. It demands of that government a much larger share of the cost of organizing such a defence.

If we can build and organize a system of national civil defence, even though we may never be called upon to use that system, the very fact that in building such an organization we have been able to bring local communities together in a co-operative effort, and to co-operate in a common purpose to have facilities for the benefit of the community itself, means that we shall have achieved a purpose that in my opinion will be well worth the expenditure of money and effort put into it. Even though we are never called upon to use the organization for the purpose for which it was intended, an organization of that kind will, by the very fact that it is brought into the various communities and has enlisted the services in that community into co-operative enterprise, have made a big contribution to our democratic way of life.

In concluding these remarks, Mr. Chairman, I say that we shall oppose any suggestion that the Department of National Defence should take over civil defence. We shall support any move made to secure co-operation and agreement with the provinces by which more authority can be vested in the minister for the purpose of co-ordinating the efforts of the communities and the provinces across this country in the matter of civil defence. We urge that the federal government take this entire matter of civil defence much more closely into consideration and that a larger budget than the present be provided.

**Mr. Harkness:** Mr. Chairman, the statement has frequently been made that military spending and preparations for a coming war were always made for the war just past; that is, that they were one war behind. However true that may have been as far as military planning is concerned—I do not think it was true to any great extent in many instances—it is certainly true so far as civil defence is concerned in Canada at the present time. In other words, the activities which have been carried on in civil defence in Canada have been ones really based on experience secured in Great Britain during the last war, and based to a large extent on the concept of the ordinary type of bombs and the problems attendant upon bombing of that kind.

To a large extent the responsibility for civil defence has been passed on to the provinces and to the municipal authorities, and the hope has been that they, with voluntary assistance from the general population, would get an organization set up which would be adequate to look after civil defence matters. That is all very well in its way, but in the atomic age I do not think it is anything like sufficient.

It has been indicated by several of the speakers who preceded me that something much more definite and much more dynamic needs to be done, much better leadership needs to be given and more finances provided by the dominion government in order to provide anything in the way of an effective civil defence. I have nothing against what has been done up to date. The emphasis so far has been on fire fighting, the provision of fire fighting equipment, the standardization of hose couplings and things along that line, rescue work and organization in cities for that rescue work, first aid and the provision of first aid classes for voluntary workers and

so on. That is all good. That is all still necessary; it will all be needed and it can all be made use of. But a great deal more is necessary if we are to have anything in the nature of an effective civil defence organization set up in Canada to meet an atomic bomb attack.

If we are in earnest about this thing, if we believe at all that we are likely to have need of the civil defence organizations; in other words, if we believe there is going to be an attack on Canada, we must predicate our thinking on the basis that it is likely to be an atomic attack so far as certain big concentrations of population and industry are concerned.

To have any sort of realistic civil defence organization, it must be based on that predication; otherwise we might just as well do practically nothing about it. If we accept that premise which is, as far as I can see, the only one we can accept, then I think we have got to accept the fact that much more important than this fire fighting, this rescue work and the first aid is going to be the evacuation of those large centres of population and the finding of places for the people that have to be sheltered, fed and so forth. In other words the whole concept of civil defence really has to be sighted in that direction rather than sighted in the direction of fire fighting in a particular locality, rescue work there and the taking of people from houses that have been bombed to a neighbouring house, and so forth.

If you have an atomic bomb attack on Toronto, for example, you are going to have the entire city of Toronto unfit for human habitation as a result of radioactivity, because most of the buildings will be destroyed or badly damaged, and they are not going to be fit for occupancy. There you will have on your hands the problem of evacuating, if possible. If you have warning you are going to evacuate as many people from those areas as possible before the attack takes place. We would hope that a large number would be evacuated before the attack takes place, but after it does take place the people who have survived would have to be evacuated from that area.

Any realistic civil defence planning must have in mind places where these people can go; therefore it seems to me there are four things in particular which are the essential needs in civil defence planning at the present time and in civil defence plants. The first is the evacuation of people of the larger centres of population, the ones that are likely targets. An evacuation plan of course involves the matter of the use of all available transportation, traffic control and so on, and of course places to which these people can go.

In certain provinces, for example, such as the province of New Brunswick, I do not think there would be any problem if you had to evacuate the only two cities that would perhaps ever have to be evacuated there, namely, Saint John and Moncton. There would be no problem in finding sufficient places for the people from those cities in towns and villages and on the farms in the province of New Brunswick. You have not much of a problem there; it is just a matter of making the plans and then seeing that a sufficient number of people know about them so that they can be carried out.

But when you come to the central provinces of Quebec and Ontario, and particularly Montreal and Toronto, you have a terrific problem on your hands. After you succeeded in evacuating all the population from these two cities where would you put them? There is just not enough room in the form of houses, summer cottages and everything else to put that large number of people. There would not be enough room to accommodate the people who were not destroyed in the blast, if that took place. Therefore, some provision has to be made for these people to go to if an evacuation ever becomes necessary.

A great deal of course can be done in the utilization of farm buildings, summer cottages and things of that sort as temporary shelters, but it seems to me another essential at the present time is the provision of a considerable amount of tentage, places as storehouses or whatever you wish to call it in strategic areas around the country. Fortunately in this country we have provinces which have a large number of lakes that have summer cottages around them and quite a lot of amenities. The provision of water is already there, and so on. This would be the sort of place, I would think, where there should be dumps of tents that could be made use of to make what in wartime we called an emergency town around what is at the present time a comparatively small summer resort. As far as I know nothing along that line has been done. I think that is one of the essentials in any civil defence plan at the present time.

It is no good of course to put these people out in these various areas north of Toronto, Montreal and so forth, unless there is something to eat when they get there. Therefore, in addition to the provision of tentage, we need to have dumps or storehouses of food, food, of course, which can be kept for long periods, such as flour, canned meats, concentrated foods of various sorts, necessities

at least, so that the necessities of life can be provided for the people that would evacuate to those areas. I refer to something that would correspond to some extent to the iron rations, as they were called, that were carried by every soldier during the last war and the war before, only of course on a much bigger scale.

The fourth essential is the provision of medical supplies for the treatment of numerous casualties likely to require treatment in these evacuation areas. This is one thing on which I know something has already been done. Provision has been made for a certain number of medical kits and a start has been made in that direction, but as far as I know it is just a start and it is not even close to approaching the needs or necessities of the situation. I understand these medical kits consist of surgical operating instruments, but to my mind what is even more necessary is the provision of drugs, particularly those types necessary in the treatment of burns, radiation, and that sort of thing.

I do not want to take up a great deal of the time of the committee in going into these various points in detail. One could make a ten or fifteen minute speech on each of the four points I have mentioned, namely, evacuation plans, the provision of tenting, the provision of food in dumps, and the provision of medical supplies in dumps. However, for the moment I have touched on what I consider to be the crux of the matter as far as civil defence is concerned, and I would like to hear from the minister as to what progress, if any, has been made along the lines I have mentioned. In other words, what steps have been taken to meet a likely atomic attack rather than the type of planning we have had up to date which was adopted really to meet an ordinary bomb attack?

**Mr. Macdonnell:** Mr. Chairman, before the minister answers I would like to make one or two brief comments. I would like to say in the first place that the speech to which we have just listened strikes me as much the most practical approach to this question I have ever heard. What I want to do is merely to underline one or two of the things which have been said and which really are, as it were, background material to this problem. In the first place I must say I agree fully with what the hon. member for York South said, namely that either we should take this very seriously or forget about it altogether. Secondly, I should like to underline what the hon. member for Edmonton East said to the effect that the matter was one of immediate urgency and great concern to the people of Canada. If he had said it should be a matter of great urgency and immediate concern I would agree with him fully, but I would like to question whether in fact it is a matter of great urgency and immediate concern to one out of a hundred people in Canada. That seems to be the trouble.

I listened with great interest and some amazement to the speech made by the hon. member for Lincoln and if the situation in Lincoln is as he described it then I think we should congratulate him. I was surprised when he mentioned that 163,000 people had been enrolled in the civil defence organizations and I hope the minister when he comes to speak will tell us more about that. It seems to me the job the government has to do is a very difficult one and it has not even been scratched as yet nor have the people of Canada yet been made conscious of this problem. If I am terribly ignorant of the facts and if the people in the part of Canada in which I live are the only ones who are asleep and doing nothing to look after themselves I will be ready to be set right on it, but at the moment it seems to me, as the hon. member for York South pointed out, that we are doing neither one thing or the other. We seem to be like the city fathers of Coventry who decided it was not worth doing anything about civil defence. I believe Sir Winston Churchill answered them, though I do not know how effectively.

I think the problem is one of tremendous difficulty and in spite of the figures mentioned by the hon. member for Lincoln the problem has not even been scratched as yet because the ordinary citizen of Canada is not prepared to do anything about it. It is something about which he does not like to think, and will not think about, and I hope that when the minister comes to answer he will give us a good deal of information. I hope the minister will be utterly realistic about it and tell us the true situation, however unpalatable the truth may be. The minister has a job to do. In his spare time he is supposed to deal with these matters which are of tremendous importance. If we had a bombing attack tomorrow the minister would be grievously and very unfairly blamed for what would be the fault of us all, and I suggest therefore that we be given a very realistic appreciation of this situation as it is and not as we would like it to be.

**Mr. Martin:** Mr. Chairman, I think all of the speeches given tonight have been very helpful and I will begin by dealing with the

speech made by the hon. member for Cape Breton South last week and that made tonight by the hon. member for Esquimalt-Saanich. I cannot find much to quarrel with in most of the speeches given tonight. As the hon. member for Greenwood has just stated, this is a very difficult matter and anyone who is charged with this particular responsibility has indeed a thankless and very difficult task.

I was interested and encouraged by the observations of the hon. member for Esquimalt-Saanich, particularly when he said that since our debate last year he had noted that very considerable progress had been made in the matter of civil defence in Canada. The credit for that does not rest with any particular group but is the result I think of the large measure of co-operation that exists throughout the country and which is greater than is generally appreciated.

Having noted some progress, I fully agree with the hon. member for Esquimalt-Saanich that the nature of the problem, apart altogether from the assessment of its immediacy, is precisely as he stated. We cannot sit back and say the progress is entirely satisfactory, because it is not satisfactory. It is not satisfactory here nor is it satisfactory in any country in the world. The British home secretary, Sir David Maxwell Fyfe, in the British House of Commons found himself faced with the same kind of questions that have attended the debate here tonight, and the remark which the British Prime Minister, Sir Winston Churchill, made with regard to the attitude taken by some citizens of Coventry is a valid response which we can all make I think to anyone in Canada who claims that civil defence has now been made obsolete as a result of thermonuclear developments. I know of no responsible group in Canada that has taken that position.

The hon. member for Calgary North, in his constructive speech, outlined the steps he thought should be taken in the light of the development of the hydrogen bomb and the four new phases which might be given consideration at this time. He mentioned evacuation and I might associate with that what is evacuation in principle but what is called tactical dispersal of population. The hydrogen bomb has forced us to give consideration to evacuation and tactical dispersal of population.

The hon. member urged that a committee be set up to consider plans with respect to this matter. I would point out that that has been done. We not only have a departmental committee but we have a committee on which the United States and Great Britain share membership with our Canadian representatives. That matter is being carefully studied but it would not be accurate to say that we have yet formulated the kind of plans originally projected as necessary following the first hydrogen detonation. As soon as the first hydrogen bomb was exploded we were told there were detailed plans already worked out for the evacuation of cities such as New York. but I can say that that is not the case. However, in the United States, Great Britain and in Canada these matters are being given consideration. We hope in Canada in the fall to be able to test out the evacuation plan of one Canadian community yet to be announced.

With regard to medical supplies, my hon. friend referred to surgical kits. Of course our stockpiling program is much more extensive than that. To date we have spent almost $2,500,000 on medical supplies which include drugs, instruments and the sort of thing my hon. friend mentioned; blankets and much else besides, and these are being placed in strategic areas in the country. The matter of tents, and other emergency shelter accommodation, of course is one that is closely related to the question of evacuation and comes within the responsibility of mutual aid and reception areas, as was so helpfully outlined by the hon. member for Esquimalt-Saanich. For 3½ years now we have had an expert committee studying the question of food supplies and emergency feeding arrangements in the event of the kind of disaster occurring which we all hope will not take place.

One of the encouraging things in this debate tonight, it seems to me, has been the recognition of the fact that civil defence, in order to be effective—apart altogether from what the central and provincial governments must do—depends in the final analysis for its success on the voluntary effort of the Canadian citizen in his or her community. We started civil defence in Canada, as was done in the United States, on the basis of the experience of Great Britain. We have consistently used the services of their officers and notably those of Sir John Hodsoll who had charge of civil defence in Britain during the war and who kept emphasizing the importance, notwithstanding the difficulty, of bringing home so far as possible the necessity for local community organization and of recognizing that there in the main rested the secret of the

success of an adequate civil defence organization. This fact was recognized also in the United States when President Eisenhower in February of this year said:

> Civil defence responsibilities primarily belong to the state and local governments—recruiting, training and organizing volunteers to meet any emergency. The immediate job of the federal government . . . is to supply technical guidance, and to continue to strengthen its civil defence stockpile of medical, engineering and related supplies and equipment.

Again, in his budget statement a few months ago—and this is an important statement—he said this:

> Much planning, organization, and training remains to be done, however, to make this strategy of civil defence fully effective at all levels of government. It will be the federal responsibility, as reflected in this budget, to provide warning of impending attacks, and to stockpile medical supplies. The federal government will not assume the responsibilities which belong to local governments and volunteer forces, but will supplement state and local resources, provide necessary information on weapons' effects, and advise and assist states and localities . . .
>
> This great problem is really outside the realm of money and material preparation. Its solution is in conviction and belief, in readiness and discipline—in those things that need to be done by the population to save itself.

That represents our view and that is equally the view of Her Majesty's government in the United Kingdom.

Before I announce our financial arrangements pursuant to a recent dominion-provincial conference I should like to say this in view of what was said here tonight by one or two members. There has been the fullest co-operation between the two senior levels of government. I do not say that every province has agreed with the decision we have taken. One province, namely the province of Quebec, has co-operated by coming to the meetings and has taken its part in our planning at the centre. It has acted as the distributing agency for much educational material which we have provided. But it has taken the position that it does not propose to spend any of its own money in assisting municipalities in the matter of civil defence.

In the province of Ontario, the provincial government there took the position that the new formula which I am going to refer to in a few moments was one to which they could not accede. They did not propose to make any grants themselves to any municipalities. By way of parentheses I should explain that under the present financial arrangement we are not able to make any grants direct to the municipalities unless the province also makes a grant. The result is that certain municipalities who have their own budget and who have been carrying on without provincial help have for that reason not been receiving any direct assistance from the federal government.

[Mr. Martin.]

In the case of the provinces of Quebec and Ontario, they have not been receiving any money from the provincial governments. Nevertheless, in the province of Ontario no one should conclude that that province is not concerning itself seriously with civil defence. We may have our differences of opinion. That is natural with any group. We may have our differences of opinion as to whether a particular effort is more desirable than another. But in the province of Ontario there are over 200 communities which have a civil defence organization in various stages of development.

The hon. member for Lincoln tonight referred to his own city of St. Catharines. He was perfectly justified in doing so because it is a most outstanding example. In that community there are 2,200 civil defence workers. The community provides its own budget. Their civil defence director, who works at the job day and night, is doing so on a voluntary basis. The result of his efforts is seen in the picture which the hon. member for Lincoln so ably outlined tonight.

In Ontario the provincial government has taken the position that at this time it does not propose to make grants to the municipalities directly. I am sure however that it would be prepared to accept moneys from the federal government to assist the municipalities. Incidentally about $250,000 is now being spent in the province of Ontario. Most of that money is being spent in a program of standardization of hose couplings—a program costing over $1 million—to which the federal government has contributed roughly one-third. A program of standardization of hose couplings is, of course, an extremely important item in the development of a civil defence program. In addition to that, they have an administrative budget which provides for the services of their administrator who said the other day in Sudbury that just as soon as Ontario's standardization of hose couplings program has been completed, it is the hope that Ontario will give consideration to further provincial funds being made available in support of civil defence.

I should like to say that within the past ten days I have had a chat with the premier of the province of Ontario. From my conversation with him I am satisfied that we shall be able to work out, within the formula to which I shall later refer, a satisfactory arrangement supplemental to that now being carried on in the province of Ontario. It is wrong to assume that the only kind of assistance the federal government has given to the provinces with regard to civil defence is in the matter of matching grants.

The only matching grants that exist thus far represent a sum of about $1,400,000. The rest of the expenditures last year, provision for sirens, provision for certain civil defence equipment, civil defence clothing and all that sort of thing, represents not a grant to the municipalities or provinces on a matching basis but an outright grant paid entirely by the federal government. For instance, there is no matching provision with respect to our civil defence school at Arnprior. We have trained over 4,000 individuals there who have come from all over Canada at federal expense and have been maintained in the college at federal expense. The 4,000 people trained in that college, now under the direction of General Penhale, have provided among others the civil defence co-ordinators throughout the country. These in turn have trained another 40,000 people.

That represents a very substantial contribution entirely by the federal government. Then there is the matter of films, pamphlets and folders. All that sort of thing is done entirely by the federal government, and these things are given to the provinces as the distributing agencies. When civil defence was established in Canada it was done on the basis that this was a federal state and that we had to work with the provinces. That was what the provinces wanted; that is what the provinces want today. In each province there is a civil defence minister. He is the agent through whom we address ourselves to the municipalities, and it seems to me, having in mind the character of civil defence in Canada, that is the kind of pattern we should follow.

In the fiscal year 1954-55 we propose, in addition to the things the federal government does for which it pays 100 per cent and which represent more than two-thirds of the federal expenditure, to make available $2 million which will be available to the provinces and the municipalities under the matching grant program for approved civil defence projects. To indicate the distribution of these grants to the provinces perhaps I might be allowed to put on *Hansard* a statement showing what this will mean to each province compared with the moneys made available to them in 1953-54. May I have the permission of the committee to have these figures put on *Hansard*?

**The Chairman:** Has the minister leave?

**Some hon. Members:** Agreed.

**Mr. Martin:** The table is as follows:

| | 1954-55 | 1953-54 |
|---|---|---|
| Newfoundland | $ 45,863.17 | $ 32,978 |
| Prince Edward Island | 10,827.18 | 7,874 |
| Nova Scotia | 92,128.19 | 65,696 |
| New Brunswick | 63,777.00 | 45,956 |
| Quebec | 603,375.16 | 433,081 |
| Ontario | 692,035.92 | 492,008 |
| Manitoba | 117,285.72 | 83,367 |
| Saskatchewan | 91,490.08 | 66,538 |
| Alberta | 118,921.86 | 85,545 |
| British Columbia | 187,271.78 | 132,616 |

From this table it will be seen that in the province of Quebec, for instance, the province could receive this year $603,000 odd for the purpose of carrying out projects on a matching basis. Last year they could have received $433,000 odd. Last year Ontario could have received $492,000 and under the new arrangement this year will receive $692,000. I will not deal with the figures for each province because it would take too much time. I have taken the two larger provinces. Perhaps I might take Alberta because in Alberta I think they have done, as have other provinces, an outstanding job. Last year we made available to the province of Alberta $85,000 under this matching arrangement. This year they will get $118,000.

In order to ensure the most effective utilization of these funds, an entirely new formula has been worked out in co-operation with the provinces, and as the result of a dominion-provincial conference held in this building about two weeks ago. This formula will permit federal aid to municipalities undertaking civil defence projects, regardless of whether or not provincial assistance is available. The federal grant to municipalities, however, can be increased up to double the basic amount for any project for which provincial aid is also available.

Under the revised formula of civil defence expenditures will be broken down into the following six classifications:

1. Organization and administration.

2. Training, equipment and operations.

3. Warning communications and other civil defence equipment for which there is no peacetime use.

4. Construction for civil defence purposes such as control centres.

5. Civil defence operational equipment having a peacetime use.

6. Purchase of clothing, including uniforms, for civil defence workers.

As a matter of policy, not more than one-quarter of the total provincial quota will normally be allocated to any one of the six

main divisions of civil defence expenditure. This, we hope, will have the effect of developing a well advanced and well balanced program. For projects falling within the first four expenditure groups, which include civil defence services having no direct peacetime application, the federal government will contribute a minimum of 25 per cent of the cost of any approved project regardless of whether a provincial grant is made. In addition, the federal government will also match any provincial contribution to the same project up to an over-all maximum of 50 per cent of the total cost. Thus, for projects supported by all three governments, the costs will be shared as follows: 50 per cent by the federal government, 25 per cent by the provincial government and 25 per cent by the municipal government.

That, basically, is the pattern of assistance given civil defence operations by the central government in Great Britain to the municipal bodies in the United Kingdom. For expenditures falling within the last two classifications, those having a peacetime value, the arrangements will be the same as in the past. The federal government in that case will match dollar for dollar any provincial contributions.

The hon. member for Esquimalt-Saanich noted progress over last year and I am sure he would want me to supplement that by noting that our 1954-55 budget for civil defence, $6,500,000, is more than five times the combined budgets of the provincial governments which total $848,000 and the twenty-two municipal corporate target areas which represent a total of $386,000. Total provincial and municipal expenses to date represent a figure of about $1,234,000.

The hon. member for Greenwood said to me that I should tell the house the situation exactly as we see it, and that is what I am seeking to do. Before I take my seat, I wish to state that within the past month we have asked the provincial authorities to give us their latest figures on the extent of civil defence organization throughout the country. All of them have reported to us, and the figure totals some 163,000 individuals in 600 different communities, in varying phases of organization, undoubtedly some good, some not as good and some that cannot be commended at all.

I think I can say in fairness, because I am close to the situation in the United States through being a member of the United States-Canadian committee, and because of what Sir John Hodsoll has said, that this is comparable to the United Kingdom and is better than the United States. In terms of contributions, our financial contributions represent roughly 47 cents per capita whereas those of the United States represent roughly 29 cents per capita. Therefore I think I can say in all honesty that we are building what the hon. member for Esquimalt-Saanich said was our role now, a nuclear organization in as many areas of the country as we think that should be done. We are providing the basic organization. I am sure that at this time we could get more people to enrol. We could have more excitement, more agitation. We could do what they do in some other places, have signs in hotels and all that sort of thing indicating extraordinary activity.



We have decided that the course that we are taking is the wisest course. It is based upon our assessment of the likelihood of the danger. We could be wrong and, as the hon. member for Greenwood said, if we were wrong I would certainly be the individual who would feel the consequences of that error more than anyone else. I can only say that I feel we are proceeding on the right basis. I feel that what has been said here tonight will help us greatly in the continued difficult task which is ours in co-operation with all provinces and municipalities, the task of building up a practical, sensible organization which will be capable of effective operation when needed.

**Mr. Drew:** I start by mentioning the fact that even before the minister had stopped discussing the subject that he has described as being one of such utmost importance, I hear a number of hon. members opposite impatiently shouting "carried". I would suggest that those who are impatient in regard to the discussion of civil defence might have read a book, if they have not already done so, under the title of "Tomorrow", by Wylie. If they did, they would have a rather clearer picture of what would happen in this country if there were a bombing attack under the ineffective method now in force.

The emphasis the minister has placed on the statements he has made has not given them any more effectiveness. When the minister talks about our situation being comparable to that in the United Kingdom, he starts by immediately disregarding the recommendations made by the hon. member for Esquimalt-Saanich. He overlooks the tremendous importance of the suggestion made that there should be a civil defence act in Canada. We start with the fact our position is not comparable in any way with that in the United Kingdom.

I was surprised when the minister quoted from words used by the President of the United States in certain formal statements to congress, and then went on to say that

this represents the position in Britain; that is not correct. In Britain civil defence is under the government at Westminster, and is under the civil defence act. The government at Westminster recognized that civil defence is the problem of the national government.

If we are to take it in terms of money, let us see the difference between the approach to this problem in Britain and here in Canada. The estimates for 1952-53 in Britain for civil defence amounted to £45,600,000. At the present value of the pound, and having regard to the difference in population, that would be over $40 million allocated by the central government of Canada to deal with this problem. I am not, for one, advocating any reckless, loose expenditure. Most certainly I am not recommending that expenditures be made except in conformity with a clearly understood plan.

However, let us see how far short we are from the position in Britain. Under the civil defence act in Britain they are actually dealing with the possible organization that might be involved in the event of disaster. After all, that is what every one of us must recognize to be the purpose of this organization, little though we like to contemplate it. Under the civil defence act in the United Kingdom the work is divided under various departments of government, and those responsibilities would be assumed by several ministers and would be taken over by them in the event of the emergency. Those ministries now are training for their responsibilities. Thus, under the civil defence act we find several ministries that would be jointly responsible for civil defence in the event of an emergency.

Those ministries are as follows: home office; ministry of health; ministry of housing and local government; ministry of food; ministry of transport; ministry of education; ministry of works; ministry of labour and national service; general post office; ministry of supply; board of trade; ministry of fuel and power; national assistance board; ministry of national insurance; ministry of agriculture and fisheries. There is opposite each one of those ministries a clear allocation of responsibility. Merely as an example I quote what we find in the case of the ministry of housing and local government. These are the civil defence functions:

> Evacuation, billeting or rehousing of persons made homeless by enemy action; information centres for the public; the disposal of the dead; repairs of damaged houses, demolition of unsafe buildings; the maintenance of water supplies and sewage services.

That, Mr. Chairman, is the allocation of tasks to only one department of all these several departments I have mentioned to which tasks have been allocated under this civil defence act of 1948 in Britain.

Now, Mr. Chairman, this subject has not yet been approached in an atmosphere of reality. There are civil defence acts in this country, some of the provinces have them. But when the minister speaks about the fact that there is co-operation with each province, how good will that informal co-operation be if under any unhappy circumstances we should suddenly be confronted with actual bombing?

**Mr. Martin:** I am sure my hon. friend would agree it is very important to try to have as much co-operation as one can?

**Mr. Drew:** I agree, and I agree also that it is wise to have accurate information. The minister will recall that just after he told us Ontario had accepted the proposals of this government in April last, on April 29 the minister responsible for civil defence in Ontario said that no such arrangements existed. These are the words he is reported to have used:

> Ontario and Quebec definitely did not agree to the proposal. We told the federal officials we were not interested in the scheme. We do not intend to saddle our municipalities with all kinds of new expenditures.

There, Mr. Chairman, is the crux of the whole problem. By a steady process of centralization this government has left the municipalities without any flexibility of taxing powers. Yet by this course of action they have been imposing upon the municipalities the main responsibility for the burden of preparing for civil defence. Whatever may be said in any other country, let us deal with Canada. There is not an hon. member in this house who is in any way intimately associated with municipal affairs today who does not know that the municipalities have not the flexibility of resources, and have not now the financial power to meet the demands that would be imposed upon them.

There is another reason why they should not be asked to do this, and why this should be dealt with in this parliament under a civil defence act which would actually recognize the problem. We know quite well that Montreal and Toronto are the largest centres, and with their concentration of industrial production would require the greatest measure of organization. And yet according to the words of the minister himself, the city of Toronto is devoting less to that purpose than many of the smaller municipalities. Here in the city of Ottawa there might be some of us who might have

a personal interest in the effectiveness of a civil defence organization. And my impression is that there is no substantial measure of a civil defence organization within the present framework of what is being done.

**Mr. Martin:** If I might interrupt the Leader of the Opposition, I would say that that is true in the city of Ottawa as such. But in the federal service in 37 buildings there are civil servants to the number of 4,200 who are engaged in civil defence work, and of that 4,200 I can say that 1,900 have been fully trained.

**Mr. Drew:** Then the minister has just answered the proposition or explained the soundness of my argument. Here in Ottawa they have found it necessary to improvise an organization because of the ineffectiveness of his general plan. And he has himself supported that argument by pointing out that they have under their control civil servants in the government who have set up something which he believes is in the nature of an effective organization, and which is only possible because of that control, and which is in spite of, not because of, the general plan laid down by the government. That is exactly the situation which exists across the country.

**Mr. Martin:** I still have hopes of Charlotte.

**Mr. Drew:** I would imagine that in the city of Ottawa there has been considerable evidence of the reason why the mayor of Ottawa does not display the same confidence in the government, or even the same hope as has been expressed by the minister and, I should say, with considerable justification, in view of the abundance of justification in other respects in connection with the Municipal Grants Act.

But, to come back to the problem before us, let us just see how completely unreal this plan is. We all know that seaports are in a peculiarly hazardous position. We all know that the most likely manner in which seaports would be likely to be attacked would be by bombs carried in ships, not by air. We know that a seaport is a primary target. Why should a seaport of, let us say, 100,000 population, be shouldered with very special defence requirements and expenditure, and another city of 100,000, which may be far better able to spend the money, not be called upon, or not be in the strategic position that suggests any comparable form of civil defence?

No one surely would suggest that there is any similarity or that there is not a great difference between the nature of the civil defence program that might be regarded as desirable in some of the cities such as Noranda, Sudbury, Niagara Falls, Trail, Kitimat and Arvida, as compared with other cities of the same size, perhaps, but without any similarly so far as a target would be concerned. Why should those municipalities be shouldered with a very special responsibility of organizing their civil defence and paying for it; or why should the province whose finances are also limited be called upon to pay for those special arrangements?

No, this situation has no reality; and it is not comparable most certainly in any way to the situation in the United Kingdom under their civil defence act which lays down plans for the period of what we hope will be continuing peace, but which also lays down detailed plans to meet the eventuality for which the act is designed if, unhappily, civil defence should have to be used.

The minister is well aware that neither the government of Ontario nor the government of Quebec nor the governments of the other provinces agree with the proposals that have been put forward. And there have been positive proposals put before this government; and I would like to indicate what they are. I suggest they are worthy of consideration by this House of Commons, and that something should be incorporated in a civil defence act passed by the House of Commons and the parliament of Canada which would deal effectively with them.

One of the important things is of course the recruitment of personnel. The recruitment of personnel involves expense. The more vulnerable targets such as an aluminum centre, a power centre, a nickel centre or automobile centres such as Oshawa and Windsor, or any other centre that has a high war potential or defence potential, would be called upon to make more than ordinary preparations. Specially high recruitment calls for intense organization.

One of the suggestions made was that for every registered member of a local civil defence organization there should be a specific grant by the federal government that would relate directly to the number of registered and trained civil defence workers. It would have a sense of reality in relation to the needs of the particular communities, depending upon their strategic significance.

Another point that was greatly emphasized was the importance of abandoning large defence buildings, or large defence centres. In fact the contention has been made—and I believe it is sound—that it is unwise to spend money on civil defence headquarters located right in the centre of communities,

because when those communities become targets the whole civil defence structure would be paralysed right away. Emphasis has been placed upon the desirability of having the organization apart from the perimeter of target areas.

In fact the argument has been put forward that there be fire-fighting equipment with flexible mobile units also operating from the perimeter of threatened areas, so that in the event of threatened areas becoming targets in an area they could be served by such mobile units. This would follow the plan in operation in the United Kingdom at this time.

Also there is the tremendous need emphasized by the hon. member for Esquimalt-Saanich for those who are trained in the handling of crowds, who are trained in organized plans for evacuation, and for the handling of traffic under pressure. Those who have seen from the air the crowds which attend the running of the Queen's Plate, or similar events in other parts of Canada, will realize that there are those who are called upon to specialize in that particular type of traffic organization.

Then, fire and panic are two of the most serious considerations. Panic is not the least of these, as is so tragically portrayed with such terrible realism in this book to which I have referred.

Surveys of roads should be made under the authority of the federal government. Such a survey of roads should not be a superficial matter; it should be a definite, positive and complete survey, with pickets allotted and stationed at key points along those roads to deal with the results of fire and the possibility of panic or overcrowding on the highway.

Then, there is not merely evacuation, in the sense of moving people, there is also the very real problem of the evacuation of older people, people who are not able to move around themselves.

All this calls for something of a much more central measure of authority than now exists.

I submit that, in their order, fire fighting, traffic control and welfare are the things that need to be brought under some over-all federal plan; by all means with the co-operation of the provinces, by all means with the co-operation of the municipalities, but under an act of parliament that recognizes that this is a national problem.

Again I come back to the question of finances. To do these things the municipalities are simply incapable at this time of shouldering the burdens that would be imposed upon them; so also are the provincial governments. As was said by the Hon. Arthur Welsh, the minister in the Ontario government who is responsible for this matter: Ontario and Quebec are not going to saddle their municipalities with all kinds of new expenditures.

It does not mean a lack of co-operation; it means that they are facing the realities of the problems before them. No one questions the earnestness with which those associated with this work have been carrying on their work. Those who know him personally, as well as those who know him merely by reputation, would have no hesitation in expressing their admiration of the work by General Worthington under extremely difficult circumstances, and under extremely frustrating conditions. I may say that those who know General Penhale will be sure of his ability to perform the tasks that he has been called upon to carry out.

**Mr. Abbott:** Hear, hear.

**Mr. Drew:** These childish interruptions that do not find their way on to the pages of *Hansard* such as I just heard from the minister opposite, are not in keeping with the seriousness of this subject. The interjection was not made by the Minister of National Health and Welfare. I want to make that clear. The minister who made the interjection is the one who has a habit of doing so under all circumstances when he is in the house.

**Mr. Abbott:** I cannot resist it.

**Mr. Drew:** The Minister of Finance cannot resist being childish in regard to an important subject such as this. But, Mr. Chairman, as was put forward very simply before, this is either a serious subject or it is not. If it is a serious subject, as has been emphasized by the Minister of National Health and Welfare, then let us have a civil defence act that will operate throughout the whole of Canada. There will be no hesitation about the acceptance of the proposition that effective civil defence is a national problem.

Let this government encourage enlistment by an adequate contribution for each registered and trained member of the local civil defence organization. Let there be a co-ordination of activities with the utmost co-operation by the provincial governments and the municipalities, with finances adequate for the purpose.

Let us be quite sure about one thing in suggesting that the federal government accept this responsibility. If the task has to be done, it is not going to cost any more if the burden is shouldered by this government than if it is carried by the other governments which by this government have been deprived

of their taxing powers. If it is going to be done at all, it is going to cost the same amount whoever does it. Therefore the government which is the only government that can co-ordinate these activities can do so on a national basis. We agree with the proposition put forward by the hon. member for Nanaimo-Saanich.

**Mr. Abbott:** Wrong again.

**Mr. Drew:** Esquimalt-Saanich; this is a subject that should be kept on a civil basis, because it is, as the name implies, civil defence. The fact that it is civil defence and that the voluntary co-operation of civilians should be sought in no way deprives this problem of its national character; and even though at this stage new legislation might not be possible, we would at least be dealing with this subject now. If we had the assurance of the minister that at the next session there would be a civil defence act introduced I assure the minister that he would find general support throughout the house for that proposal.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

**The Chairman:** When the committee considered this department last we were discussing resolution 515. Shall the resolution carry?

Item agreed to.

War veterans allowances and other benefits—

517. War veterans allowances, $27,365,500.

**Mr. Green:** Mr. Chairman, this item provides for the payment of war veterans allowances. When the minister dealt with this subject on June 17 he had this to say, as found at page 6195 of *Hansard*:

I could not see how a major change could be made in this legislation—

He was of course dealing with the war veterans allowance legislation. I continue:

—which would break the ties that have existed between war veterans allowances and old age pensions, a relationship which has always existed between those two pieces of legislation.

That statement by the minister is inaccurate in view of the changes that have been made in the old age pension legislation. I would ask him to clarify how he justifies making the statement that there are those strong ties that have existed between war veterans allowances and old age pensions.

As the committee knows, some years ago the old age pension was changed to old age security, and it is payable automatically without any means test to everyone who reaches the age of 70 years. There is no ceiling whatever on the earnings or income that a recipient of old age security may have. In view of these changes I wish the minister would explain just what connection there now is between the war veterans allowance and old age security.

I point out to him that in addition to the payment of $40 a month which is made automatically by the dominion government, some of the provincial governments add a supplement. I believe British Columbia and Alberta pay an additional $15 which of course brings the payment to a larger amount than the war veterans allowance recipient gets.

In view of the emphasis the minister places on this fact that there is this very strong tie between the war veterans allowance and the old age pension, I believe that in justice to the veterans of this country he should explain just how he reaches the conclusion that there is such a tie.

Then, with regard to the old age assistance, as distinct from old age security, that assistance is on a means test basis and it is paid at the age of 65. If there is to be any parallel between that type of payment and the war veterans allowance then the latter allowance should be made at the age of 55 instead of 60. Then, the old age assistance is quite unlike old age security for in the former case one-half is paid by the dominion and the other half by the provinces. There is provision for additional payment by some of the provinces. I believe the two provinces I have mentioned, British Columbia and Alberta, bring the old age assistance payment up to $55 a month, subject of course to a means test.

But I have instanced those two types of old age pension, first, the old age security and then the old age assistance, and I wish the minister would explain just what he means when he says that the war veterans allowance must remain tied to the old age pension. In view of the facts I have outlined I think there is very little connection left between payments to the front-line troops and either one of these old age payments.

**Mr. Lapointe:** Mr. Chairman, I believe there is very little I can add to what I have already said on this particular matter regarding the relationship between the war veterans allowance, and what used to be known as the old age pension, now known as old age assistance, and the old age security payments. In my remarks the other day I mentioned that the history of this relation had been made very clear by the hon. member for Acadia, and I know that the hon. member for Vancouver-Quadra is as familiar as I am, if not more so, with the history of war veterans allowance.

I explained the other day, as I have on other occasions, that the war veterans allowance was instituted in an attempt to make available to those who could qualify under the terms of the act the same kind of benefits as a citizen could draw under the Old Age Pensions Act and that ever since the act was instituted in 1930, there has always been a relation between the payments made under the two separate acts. When the amount of the old age pension was raised from $20 to $30 and then $40 the same increases were made in the war veterans allowance, and the ceilings which were incorporated in the acts as regards permissible income have always borne a relation with each other. I think if the hon. member will look up the debate which took place when this act was first brought before parliament he will find I am justified in making this assertion.

**Mr. Green:** This point is of the utmost importance because the minister based his whole case for refusing to give any further consideration to war veterans allowance on the fact that the war veterans allowance must be tied to the old age pension. That is the basis for the government's refusal to do anything about the War Veterans Allowance Act. Now, I have no intention of pursuing the matter further tonight beyond pointing out that when the old age pension was put on an automatic basis it was made payable without a means test to everyone in Canada who reached the age of 70. When that was done that pension no longer had any connection with the war veterans allowance.

Veterans should be treated on an entirely different basis. The claim of those fighting men to war veterans allowance should not be tied down to any old age security payment or old age assistance payment and the whole war veterans allowance picture should be treated on its own merits rather than there being an attempt made to tie it up with the old age pension because it is no longer connected with that; furthermore, as I pointed out the other night, the claim of these men to consideration on the part of the Canadian government rests on far stronger ground than the claim of the civilian because it is based on their willingness to give their lives for their country.

**Mr. Shaw:** Mr. Chairman, there is no intention on my part to delay the passage of the minister's estimates by repeating arguments already advanced by several of my colleagues. I concur wholly in their observations with respect to the inadequacy of the amount paid. Moreover, I concur in their argument that the income ceilings are altogether too low. I also concur wholly in the observation made by my colleague the hon. member for Acadia, namely, that when a veteran in receipt of war veterans allowance reaches the age of 60 the means test should be abolished. After all, it is nothing more than a recognition of the principle that the veteran has a prior right at the age of 60.

There are two other matters to which I would like to refer briefly. The first relates to the widows of imperial veterans. Under the regulations as they stand today an imperial veteran resident in Canada for a period of 20 years becomes eligible for the war veterans allowance. Should he die subsequent to the receipt of the war veterans allowance his widow is entitled to an allowance. However, the situation which has come to my attention in my own constituency is that there are a number of imperial veterans, or possibly I should say there were, who died after having resided in Canada for a period of 19 years or 19 years 6 months. Because of the death of that imperial veteran before he established his residential qualification his wife is entirely without benefit. I consider that to be wholly unfair. Had the imperial veteran lived an additional six months or one year he would have qualified and upon his death his wife would have qualified for that benefit. Surely it is only fair and proper that we should recognize the existence of the imperial veteran's widow once she has herself established a 20-year residence in Canada. I urge the minister and the government to give favourable consideration to that particular problem. The mere fact that such cases have come to my attention in my own constituency does not mean that the only widows so affected are in my constituency. There must be a number of them all across Canada.

Secondly, with respect to the amount paid to the recipient of war veterans allowance and the allowable maximum income, I would point out to the minister that there are two types of veterans who are in receipt of this allowance. One is the person who, not being eligible for a pension, should be made eligible for a pension but has not been able to convince the commission that his disability was attributable to war service or aggravated thereby. He may be wholly incapacitated with the result that, if he is a single man, his income is limited to $600 a year. If he is a married man his income is limited to $1,080 a year. But if he is a recipient of war veterans allowance and is not wholly incapacitated, being single he receives $600 a year plus whatever he is able to earn over and above the $600, of course providing that

the maximum does not exceed the allowable maximum. I think the government would be justified in establishing a sliding scale of benefits.

Ordinarily I would be hesitant about suggesting that you take recipients of war veterans allowance and put them in two categories. But certainly you are justified in taking the recipient of war veterans allowance who is wholly incapacitated and allowing him more by way of basic allowance than you would allow a man who suffers a 50 per cent or a 25 per cent disability and is able to earn sufficient to bring him up to the total maximum allowable income under the act. I say to the minister that I think the government would be completely justified in establishing a sliding scale of benefits taking into consideration the physical condition of the recipient and also taking into consideration, in the light of his disability, his earning power.

I therefore make this suggestion to the minister. I could take my full 40 minutes in relation to this matter, but I do not intend to do so. Before another session of parliament rolls around I hope the minister and his department and the government will give favourable consideration to the widow of the imperial veteran and to the recipient of war veterans allowance.

**Mr. Knowles:** Mr. Chairman, my support, like that of all the private members of this house, for an increase in the war veterans allowance and for the other changes proposed by the Canadian Legion, is well known and I do not need to take any further time tonight to spell it out. There is, however, just one thing I should like to say.

Inevitably we in this house follow the newspapers, particularly the articles that are written as to what is happening in the House of Commons and what may yet happen. It seems to me that of late our friends in the press gallery have all indulged in a good deal of prophecy, each of them trying to see if he could ring the bell. There is one member of the press gallery who received recognition a short while ago for his accuracy in forecasting the results of the federal election of last August. I notice that that member of the press gallery—I refer to Mr. Alex Hume —wrote a story just a few days ago. I believe it appeared in the Ottawa *Citizen* of Saturday. In it he said that there are already 17 items of business on the list for the next session of parliament. Knowing Mr. Hume's record and his reputation for being a fairly good prophet, I looked through that list with keen interest. I dared to hope that amongst those 17 items there would be included something indicating his belief that action would be taken to amend the War Veterans Allowance Act at the next session. The other night the Minister of Veterans Affairs, as reported at page 6197 of *Hansard* of June 17, 1954, said this:

> I can assure hon. members that the recommendations made by the veterans affairs committee to the effect that this matter should be considered with sympathy by the government will receive the attention of my colleagues and myself.

Despite that assurance that this recommendation would be given consideration, Mr. Hume did not find it possible to include in his forecast of items already on the list for the next session the possibility of something being done about the War Veterans Allowance Act. I could hope that that was an oversight on his part. I hope it is not because of his knowing what is going on. If it is, I hope the government will change its mind. If it is not going to do something about this matter at this session I hope it will do something about it in the very early stages of the next session of parliament.

Item agreed to.

Miscellaneous payments—

*521.* To provide for payments to the Last Post fund; for the payment under regulations of funeral and cemetery charges; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian battlefields memorials in France and Belgium and for Canada's share of the expenditures of the imperial war graves commission, $1,503,400.

**Mr. Nicholson:** I have been waiting for some months to express my thanks to the minister for the courtesy that was extended to me by his officers when I was in Europe last year. Colonel Alan Chambers who was in charge of the D.V.A. office in London was kind enough to make arrangements so that I could visit the Vimy memorial and some of the other cemeteries in France. Those who have not seen the Vimy memorial have missed visiting one of the finest memorials anywhere. It was designed by Walter S. Allward, of Toronto. Those who go to Vimy from all parts of the world have been very kind in the references they have made in the guest book there.

I think a special word of appreciation should be paid to Mr. Paul Piroson and Madame Piroson for the outstanding work they have done in looking after the memorial. I am sure that the relatives of soldiers who were buried in France and in Europe during the first or the second world war would receive a good deal of comfort from visiting any of these cemeteries. I do not know of any cemeteries in Canada that are kept in as good condition as are the cemeteries that I visited last fall. I merely want to thank the minister for the courtesy extended to me

by his officers and to express appreciation for the outstanding work that is being done there by those who are looking after the cemeteries.

**Mr. Herridge:** Mr. Chairman, I just want to bring to the minister's attention the fact that I do not think the regulations concerning payments from the Last Post fund are sufficiently publicized. I am repeatedly running into people in the Legion and veterans and their dependents who are not aware of the regulations under which payments are made. I would suggest that something be done to bring again to the attention of Legion branches and people interested the regulations in connection with the Last Post fund and under what conditions payment is made for the burial of the dead.

**Mr. Dinsdale:** On May 4 I asked the Minister of Veterans Affairs a question concerning the record of the burial plot for Canadian servicemen buried in war graves overseas. At that time the particular point I raised was that $1.25 was being charged for a copy of the entry in the cemetery and memorial registers which gave details of the plot. The minister indicated that this charge of $1.25 was in payment for pamphlets, books and other printed material issued by the imperial war graves commission to each of the cemeteries in which commonwealth forces are buried. At the time I did not pursue the matter further because I wanted to be sure of the facts.

I have discovered that the charge is not for descriptive pamphlets, books, et cetera, but is for the specific registration of the individual serviceman involved. A prepared form is sent out to the family of the deceased veteran asking them if they would like to pay $1.25 for this specific individual registry which describes the plot record of their member of the family. I am sure the minister has inquiries from time to time concerning the graves overseas.

I know that as a private member of the house I have had several anxious inquiries from constituents who have a loved one buried in one of these war cemeteries overseas. The suggestion has been put forward that some assistance might be given to make it possible for mothers of deceased personnel to make a pilgrimage to the graves of their sons. I do not know whether that suggestion has ever been considered seriously by the department, but it comes to me frequently enough to make me wonder if it is feasible at all. I would suggest that the charge of $1.25 for the individual record is perhaps going a little too far. Members of the families of deceased personnel would like to have the information, and they resent very much having to pay $1.25 for that record. Has the minister any further comment?

**Mr. Lapointe:** As I mentioned at the time the hon. member brought this question before the house, these books to which the hon. member refers contain not only the names of all ex-servicemen of the commonwealth who may be buried in a particular cemetery. There is also a histoy of the cemetery and the campaigns that took place in that particular region which brought about the setting up of the cemetery. They include the names of every man buried there. But I should like to remind the hon. member that every next-of-kin is advised and receives an official notice which is the official registration—I do not know whether I am using the right word—of the plot in the cemetery where the particular ex-serviceman is buried together with a photograph of the grave. That of course is provided free of charge and every next-of-kin has received this except of course in the cases of ex-servicemen who have no known graves, who were lost.

However, the other publication is in the nature of a historical document which is published by the imperial war graves commission. At the present time all cemeteries have not been so covered, but I understand it is their plan to do so and I also understand that the same practice was followed after the first war. The same practice is followed in connection with all imperial war graves cemeteries all over the world.

**Mr. Dinsdale:** My reason for rising is that I have discovered that it is not a booklet but an individual record of the individual grave. I have checked with the war graves commission and I have checked with the parties who first complained to me. It is not a book of historical facts concerning the grave. It is a prepared form sent out to the next-of-kin asking if they would like this individual registration and is not a book of history.

**Mr. Lapointe:** If my hon. friend will permit me, it is quite true that a form is sent to every next-of-kin. I have only seen one of these cemetery registers because up to now only one has been received by the Canadian secretary of the imperial war graves commission. It was passed on to me, and the description I have given my hon. friend of that publication is exactly as I have said. I am sorry I have not a copy with me because I could show it to him. It is a booklet about 8 inches by 6 inches containing about fifty pages. It gives the history of the cemetery, the campaigns in that area, and finally the name of every man

buried there together with pictures of the cemetery and the surrounding district. I will be very glad to pass it on to my hon. friend so that he may judge for himself.

**Mr. Dinsdale:** I have a copy of the form which refers to the specific index. I have not got it with me now, but I think perhaps we had better have an exchange of forms. If the minister will send me his I will send him mine and I think he will find it is not a booklet. It identifies one specific grave with the name, location of the cemetery and so on.

**Mr. Montgomery:** With respect to this point, the other day I received a letter in response to which I wrote for further information. I thought I would have it before these estimates were discussed. How soon does the mother or wife receive a photograph of the grave as was mentioned by the minister a moment ago? The minister mentioned that the next-of-kin receives a photograph of the grave or tombstone. How long is it before that is received?

**Mr. Lapointe:** I am afraid I could not say exactly. As my hon. friend undoubtedly knows, when the cemeteries were first established they were provided with wooden crosses. These are now being replaced by headstones, and my understanding is that the photograph is sent only after the headstone has been installed. Furthermore, when the headstones were first placed in Canadian cemeteries the designations of the individual units to which the ex-servicemen belonged were not inscribed. In other words, someone who had been killed while serving with an infantry regiment would have his name and the initials "C.I.C.", Canadian Infantry Corps. Representations were made to the imperial war graves commission that the Canadian regiments and the Canadian public generally felt that they would like to see the designation of the unit to which the men belonged placed on the headstones in these cemeteries. In many cases the headstones had to be taken away and are being replaced with new headstones on which appears the designation of the unit of the ex-serviceman. There again you have a reason for the delay in sending these photographs. But a definite program is being followed that each next-of-kin will receive a photograph of the grave of the buried ex-serviceman.

**Mr. Montgomery:** That answers my question partly. It may be that the information I received was not quite correct. This person had received a letter asking for $2, and the information was not given me whether the letter came from Ottawa or overseas. They were asked for $2 for a picture of the grave and tombstone, and I had the idea that they were to get them free. I understand from the minister now that that is true, that when the grave is completed and the tombstone is finally in place they will get them free.

**Mr. Lapointe:** Yes.

**Mr. Lennard:** What kind of racket is going on?

**Mr. Lapointe:** That is my understanding, and I have never heard of a change being made. If my hon. friend has a specific case I wish he would bring it to my personal attention and I will look into it.

**Mr. Montgomery:** If I get further information, I will.

Item agreed to.

Canadian pension commission—

523. Administration expenses, $2,202,908.

**Mr. Churchill:** This item concerns the pension commission. In reading the report of the Department of Veterans Affairs I was endeavouring to examine the statistics concerning the number of cases that came before the Canadian pension commission, and I found that I had to look at pages 40 and 41, where the veterans bureau reported, and then on pages 69 and 70 where the report of the Canadian pension commission is given. One finds that the figures do not correspond. Might I suggest that these two bodies co-operate in publishing their findings so that there is some relationship between those figures submitted by the two groups. They are both undertaking the same work, and it makes it a little easier for the purpose of one who is investigating if the figures are the same.

I shall give one example. On page 41 appeal board hearings are listed as 1,823, and the Canadian pension commission gives that figure as 1,754. I do not propose to speak at length on this problem, but I should like to repeat what I said earlier this session that I believe the work of the pension commission needs to be reviewed. We have been going on now for years accepting the work of the pension commission without much in the way of criticism. I am not offering any serious criticism at the moment. I believe the work of the commission has been good. I believe the very fact it has been good means that it could stand a detailed review as well as any other department.

The reason I suggest that the work of the Canadian pension commission should be reviewed, and I hope it will be eventually by a standing committee on veterans affairs,

is that I feel some of their work is hindered by limitations in the act. It may be hindered by limitations within the pension commission itself, but I do not know. I prefer to think it is because of the act. The reason I put that forward is that I am rather unfavourably impressed by the number of cases which come before the pension commission and end by being rejected. It seems to me there is a weakness here when cases can be heard on many different occasions. There is the matter of hope deferred for the applicant, then the case finally ends in failure. Of course, that is not always the case. There is a survival rate in these cases that come up for several hearings.

Under the pension commission arrangements first war cases may have a first hearing, then a second hearing, followed by the appeal board. Then, world war II cases may have an initial hearing and then several renewals as follows: first renewal, second renewal, third renewal, further renewal and then appeal. Checking the figures on page 41 of the report, I find that on further renewal—this would be second war cases—eight were allowed by the Canadian pension commission, which means that those eight cases were heard on five different occasions. I am rather surprised that in this sifting process a case that is granted on the fifth hearing should not be granted much earlier.

Then the report shows those that were allowed by the Canadian pension commission, having gone through five hearings, and we find 18 of them were allowed. This does not take into account those which, having passed through three, four or five hearings, are subsequently allowed on appeal. It is for that reason I suggest the work of the pension commission might very well be reviewed. Something might be done to enlarge its function in some way so that the applicants would not be put through all this trouble of hearing after hearing before their cases are finally determined.

One thing that might be investigated in reviewing the work of the pension commission is the length of time that is spent in some of these cases. They must consider them for a very long period indeed. I suggest another reason for reviewing the work of the pension commission and that is to discover in what circumstances the benefit of the doubt clause is used. I have been told it enters into every case but I take that with a grain of salt. I know of instances where, in my opinion, the benefit of the doubt clause should have been invoked and was not. This clause was put into the act for the express purpose, as I understand it, of permitting the pension commission to decide marginal cases and allowing the benefit of the doubt where the weight of evidence did not seem to be entirely in favour of the applicant. In many cases the weight of the evidence is not in favour of the applicant, and for many reasons, one being that further evidence could not be brought forward. Why could not the work of the pension commission be reviewed with regard to that and if the act needs to be altered, then let it be altered?

I am finishing my remarks now, but I should like the minister to let me know the qualifications for the appointment of a member of the pension commission.

**Mr. Lapointe:** My hon. friend asks what are the qualifications for appointment to the pension commission. As he well knows, there is nothing in the act setting out those qualifications. Generally speaking one requires some experience in dealing with veterans affairs, with veterans legislation, with veterans themselves. In other cases professional experience and qualifications have been essential. That at times has been the case since I have been Minister of Veterans Affairs because it has been necessary to appoint commissioners with medical qualifications, coupled with a knowledge of service conditions and experience in dealing with servicemen. Those were the qualifications upon which these commissioners were appointed. Outside of that, I would say it is left entirely to the judgment of the governor general in council, as specified under the act.

**Mr. Churchill:** I was wondering, Mr. Chairman, whether in appointing the commissioners there was a balance as between the three services? Is the question of active service considered when it comes to the appointment of a commissioner, as well as the branch of the service with which he served? Does the question of the rank a man has occupied during service enter into consideration at all?

**Mr. Lapointe:** I know that the three services are represented on the commission. I also know that every one of the commissioners has seen active service in a theatre of war.

**Mr. Churchill:** I hope the minister will take into consideration some of the things I have already said. Then, I would like to add this, that the pension commission has its own internal appeal board. It may look different from what the facts actually are. I would point out that a person may be turned down by the pension commission and then is permitted an appeal. He discovers that the appeal board consists of three of the commissioners who were not originally on his case.

I think what happens from that arrangement is this, that the commissioners are interchanging their cases. For instance three of them may sit on a case and find against it. Then when it comes up for appeal, three of their colleagues would have to hear that appeal while the first three, in their turn, may be hearing an appeal from the three who are now listening to the case the first three originally tried.

There is this danger within a commission, of a group of colleagues passing cases back and forth among themselves. It might well be worthy of consideration to have an appeal board separate and apart from those who are handling these other cases. Has the minister given consideration to that matter at any time?

Item agreed to.

524. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards, $128,030,500.

**Mr. Green:** Mr. Chairman, this is the item for the payment of pensions. During the discussion in committee one weakness came to light which I think could be remedied by a regulation. Some years ago a provision was made under which a veteran who had been wounded could have his pension increased automatically by a certain percentage as he reached different ages. But that did not apply to a pensioner who was getting a pension of 80 per cent or over.

In the committee it was explained that the reason the increases stopped with the veteran who was getting an 80 per cent pension or more was that at that time an 80 per cent pension carried with it an automatic pension for the widow, whether the veteran died of his pensionable disability or not.

In order that the widows of those men who had suffered gunshot wounds should not lose out in case a man died from something different, let us say from a disease of one kind or another, this regulation was brought into effect. As the minister knows, a few years ago that 80 per cent line was reduced to 50 per cent, so that the widow of every 50 per cent pensioner would automatically get a pension on his death, no matter what the cause of death might be.

I do suggest that now it would be fair to make this automatic increase apply to the men who have 80 per cent disability or over. I know for example if a man has his arm off right at the shoulder he cannot get more than 80 per cent, under the present system of assessment, although actually that man as he becomes older is completely disabled. I think a veteran with a wound of that type should be able to qualify for an automatic increase, just as his comrades could do who started out with a 60 per cent instead of an 80 per cent disability.

I think there has been an oversight in this instance in not having the regulation changed at the time that the automatic protection for the widow was reduced in the case of 80 per cent disability to that of 50 per cent disability. I wonder if the minister would give some thought to that situation during the recess, so that it could be remedied by a regulation or by a change in the method of assessment. As I understand it there is no need to have amending legislation.

**Mr. Lapointe:** I shall be glad most certainly to look into the matter. Of course one would have to consider the purpose of the original regulation. My understanding is that it was given originally for the benefit of the amputees. All these men suffering from gunshot wounds had fixed assessments. A man who had lost his arm at the elbow had a fixed assessment. One who lost his whole arm, or his leg, had a fixed assessment. And as he grew older, although his pensionable disability showed no sign of aggravation—in other words his arm cut off at the elbow was still in the same condition—his general condition, particularly in the case of leg amputees, did deteriorate.

Various conditions were thought to result from an amputation. As he had a fixed assessment of, let us say 60 per cent for the loss of a leg at a certain level, the commission could not increase the disability pension simply in regard to that. To compensate for general deterioration an automatic disability increase was put through in the regulations.

In the case of another sort of disability pensioner, one for instance who might have suffered from a heart condition which was assessed at 30 per cent at the time he was discharged, as the years go by and as his heart condition deteriorates, he returns to the commission and gets a new assessment, which the other man could not obtain. I understand that was the principle which brought about this regulation. However I will be glad to study the point my hon. friend has brought forward.

**Mr. Green:** The difficulty is that a man who had his arm off at the elbow does get an automatic increase.

**Mr. Lapointe:** Yes.

**Mr. Green:** But the man who had it off at the shoulder does not get that automatic increase, because he was getting an 80 per cent pension at the start. And there was no

provision made for increasing anyone with an 80 per cent pension. But he deserves it just as much as the other chap.

The difficulty was, of course, that the widow of the man who only had his arm off at the elbow could not qualify for pension unless he was getting an 80 per cent pension. Therefore the increases were graduated so that when he got to the top stage he would be getting 80 per cent and his widow would become eligible. But so far as the two men themselves were concerned, the man who had his arm off right at the shoulder does not get any increase at all; he receives no automatic increase.

I do not think that is fair; I think he should receive it. I know of cases where men have that disability and they cannot get more than 80 per cent.

Item agreed to.

Soldier Settlement and Veterans' Land Act—

526. To provide for the cost of administration of Veterans' Land Act; soldier settlement and British family settlement, $4,907,146.

**Mr. Shaw:** Mr. Chairman, although I was not a member of the special committee on veterans affairs I did make it a point to read every word of evidence taken before that committee. While perusing the minutes of the proceedings and evidence for Tuesday, May 25, 1954, I came across this rather interesting exchange of questions and answers. I refer to page 138 of the proceedings, where the hon. member for Acadia asked this question:

I would like to ask Mr. Rutherford one question. Can you tell us how the veterans who were settled on government land in the special areas in the so-called "drought area" are getting on? I am especially interested in that because I know you were a little leery in the first instance about settling any veterans in there but finally under pressure from the veterans themselves you did allow a few to settle in there and I understand they are doing very well.

A. I cannot answer that very definitely, Mr. Quelch. There were a few who did not succeed but those who are there now are getting along very well.

Q. About the same percentage of arrears as the rest of Canada?

A. We have more arrears in the Red Deer region.

Naturally that drew my attention very quickly. I continue:

There are only two other regions which have more arrears than Red Deer. I think this report indicates that Dauphin and Grande Prairie have more than Red Deer. It should not be as bad as it is. I believe Mr. Allam has one at Drumheller.

A person seeing and reading that might well come to a wholly erroneous impression. As hon. members know, I represent the Red Deer constituency and have represented that constituency for more than fourteen years. I have lived in that section of Alberta for a period of twenty-five years. I say without fear of successful contradiction that the Red Deer area is one of the finest mixed farming areas in the whole Dominion of Canada. Settled between Olds and Lacombe are as many if not more veterans settled under V.L.A. than in any comparable area in the Dominion of Canada. I wish to compliment the officials of V.L.A., first for having permitted so many veterans to settle in that area. Second, I wish to compliment them upon exercising a good deal of care in satisfying themselves that the land upon which those veterans were all settled was reasonably good land. Of course I may interject by saying that most of it is, unless you get too far out. But this is a very important thing. We are subjected to natural hazards in that area. We have had some very bad hail years in the Red Deer area. In 1952 many of the farm crops were devastated as a consequence of hail.

I have said in this house before that owing to the regulations under which P.F.A. operates it is extremely difficult for many of the farmers in that area to qualify for P.F.A. benefits. To farm in an area like the Red Deer area is costly, as it is costly in most mixed farming areas. When hail comes along crops are devastated. The individual is faced with the costs involved in the planting of that crop. He is also faced with costs involved in feeding livestock and in procuring seed for the following year.

I know from personal experience two things. The men who are settled under V.L.A. in the Red Deer area are in the main fine types of individuals, anxious to succeed in their chosen occupation. I also pay tribute at this time to the men of V.L.A. in that area who are administering the V.L.A. I know most of those men. I have discussed these matters with them and as one said to me one day, it does seem that for some reason or other the forces of nature pick out these veterans when a hail storm comes through.

I mention that for this reason. I appreciate first the desire of V.L.A. to collect during good years, and we have had some good years. But in assessing good and bad years, for goodness' sake let them not overlook the fact that there may be a bad year in a particular area. In the particular area of Alberta that I represent they have been most unfortunate in the fact that they have had some very bad experiences from the standpoint of hail. I trust that the officials of V.L.A. in Ottawa will pay considerable heed to the advice given to them by the local officials of V.L.A. Do not just simply pick out a sheet and say: Well, here is Red Deer; it is bad

compared with the rest of Canada. I am not using that word myself; it is in the evidence. It makes it seem as though it is bad. Do not just simply say: Well, times are good in the country. The picture is reasonably good as far as V.L.A. settlers are concerned, but there is this dark spot in the Red Deer area. I suggest to V.L.A. here that they make a very close examination of the things that happen in a local area before undertaking, as part of their general over-all policy, to put on the pressure during so-called good years.

Let it not be thought, Mr. Chairman, that I am offering one word of defence for the fellow who can pay and will not. I dare say there are some of those even in my own area, but I also dare say that they constitute a very small percentage of the total. I am not standing in defence of those persons. My associations with the V.L.A. boys in the Red Deer area have been what could be described as excellent. They have good men in there. They know conditions. They are trying to do their job well. I only hope that Ottawa, as I said before, will not just simply pick out one sheet after another and say the situation out there is bad; we have to get these boys in Red Deer to put the pressure on. Let them find out why there should be substantial arrears in that area.

I do not believe it is any criticism of V.L.A. at all. I come forth in defence actually in defence of my own area which, as I said at the beginning, is one of the finest mixed farming sections in the Dominion of Canada. I thought probably that anyone reading this evidence might carry away an improper impression and certainly I feel it is my duty, knowing the facts, to make sure that no such incorrect impression is carried away by anyone.

Item agreed to.

*528.* To provide for the payment of grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act and payment of grants to veterans settled on dominion lands, in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act, $375,000.

**Mr. Herridge:** This item provides for the payment of grants to veterans settled on provincial lands in accordance with agreements with provincial governments, and is reduced from $575,000 to $375,000, a reduction of $200,000. In view of the explanation given by the director to the committee that there had not been as many veterans taking advantage of this legislation as was expected, I can understand the reduction; but I do hope the administration of the Veterans Land Act does not throw up the sponge in this respect, because I am quite sure that as the years go by there will be more and more veterans settling under these terms. Up to recent years industrial conditions, wages and things of that sort have probably been against it. In addition to that, I do suggest that, particularly in the western provinces, that while we are supposed to have a great deal of land available for settlement it is remarkable how the land available for settlement close to roads and transportation is growing less and less each year. I do hope that the administration makes every effort to co-operate with any provincial government that has land available to try to get them to reserve suitable locations that may be used within the next few years.

Item agreed to.

*530.* To provide for the reduction of indebtedness to the director of soldier settlement of a settler in respect of a property in his possession, the title of which is held by the director, or such soldier settler loans which are administered by the Indian affairs branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the governor in council, $25,000.

**Mr. Quelch:** This is the item that the hon. member for Battle River always took an intense interest in. It will be recalled that every year he had his annual resolution calling for free title for veterans. I am a little bit concerned to notice this year that the amount of the vote has been reduced from $150,000 to $25,000. I hope that means that now all those soldier settlers have had their outstanding liabilities reduced to an amount which is easily manageable on their part. I hate to hold the committee up, but I should like the assurance from the minister that now all those veterans still settled under the old Soldier Settlement Act have had their liabilities reduced. How many are left?

**Mr. Lapointe:** Without going into great detail in this matter, I might recall that the last time I made a statement on this question of reduction on soldier settlement debts was on January 27 of this year. At that time, following the speech of the hon. member for Battle River-Camrose, I brought down the number of cases remaining to 134 and that figure has now been reduced to 51, details of which are as follows. Twenty-two eligible contract holders wish to pay off their loan in accordance with their contract; 17 eligible contract holders do not qualify under the provisions of the order in council, that is their circumstances are such that a reduction is not warranted; 12

settlers are eligible and qualify for the reduction but notwithstanding repeated efforts on our part to have them make an acceptable offer they have for various reasons failed to do so. That makes 29 cases remaining to be dealt with. At that time I stated to the hon. member for Battle River-Camrose that I would personally go through the number of remaining files and I would be willing to discuss them with him. I have done so and after studying the record of these 29 cases I cannot help but think the director is right in his decision not to grant these 17 any reduction in debt in view of the circumstances in which they are now living.

**Mr. Quelch:** Would $25,000 be adequate to reduce the debt?

**Mr. Lapointe:** Quite adequate.

Item agreed to.

**The Deputy Chairman:** Legislation.

**Mr. Green:** I am afraid I will have to call it ten o'clock, Mr. Chairman. We have got the Department of Veterans Affairs through and we are not prepared to go on with legislation.

**Mr. Harris:** Mr. Chairman, we have succeeded in doing one-half of the work which I outlined for today in my statement on Saturday. Is there any other department the committee is prepared to dispose of if it is not prepared to dispose of legislation?

**Mr. Green:** I think we should call it ten o'clock, Mr. Chairman.

Progress reported.

## BUSINESS OF THE HOUSE

**Mr. Harris:** Mr. Speaker, tomorrow we shall change slightly the program I laid out on Saturday. We will take privy council first and then legislation. Otherwise we will follow the agenda set out on Saturday with this exception that when the Minister of Finance (Mr. Abbott) completes his estimates he would like to take the supplementary estimates on northern affairs.

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

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

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

78. Departmental administration and payments to Canadian Commercial Corporation and other corporate agencies for services provided in connection with defence purchasing and production, $6,446,812.

79. To provide capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to approval of treasury board, $25,000,000.

80. To provide for payment of grants to municipalities in lieu of taxes on crown-owned defence plants operated by private contractors, $400,000.

B—Crown companies—

81. To provide for expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence, $3,693,000.

Canadian Arsenals Limited—

82. Administration and operation, $1.

83. Construction, improvements and new equipment, $4,777,000.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

B—Civil defence—

288. To provide for the civil defence program, $6,498,253.

DEPARTMENT OF VETERANS AFFAIRS

515. War veterans allowance board—administration, $145,860.

516. Veterans insurance, $79,406.

War veterans allowances and other benefits—

517. War veterans allowances, $27,365,500.

518. Assistance fund (war veterans allowances), $350,000.

519. Unemployment assistance, $15,000.

520. Hospital and other allowances, $3,200,000.

Miscellaneous payments—

521. To provide for payments to the Last Post fund; for the payment under regulations of funeral and cemetery charges; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian battlefields memorials in France and Belgium and for Canada's share of the expenditures of the imperial war graves commission, $1,503,400.

522. Grant to Canadian Legion, $9,000.

Canadian pension commission—

523. Administration expenses, $2,202,908.

524. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards, $128,030,500.

525. Gallantry awards— world war II and special force, $19,000.

Soldier Settlement and Veterans' Land Act—

526. To provide for the cost of administration of Veterans' Land Act; soldier settlement and British family settlement, $4,907,146.

527. To provide for the upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $73,500.

528. To provide for the payment of grants to veterans settled on provincial lands in accordance

with agreements with provincial governments under section 38 of the Veterans' Land Act and payment of grants to veterans settled on dominion lands, in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act, $375,000.

529. To provide for the payment of grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans' Land Act, $175,000.

530. To provide for the reduction of indebtedness to the director of soldier settlement of a settler in respect of a property in his possession, the title of which is held by the director, or such soldier settler loans which are administered by the Indian affairs branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the governor in council, $25,000.

531. To authorize and provide, subject to the approval of the governor in council, for necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act to correct defects for which neither the veteran nor the contractor can be held financially responsible and for such other work on other properties as may be required to protect the interest of the director therein, $5,000.

Terminable services—

532. Rehabilitation benefits, including the training of certain pensioners, under regulations approved by the governor in council, $1,856,000.

Loans, investments and advances—

Soldier Settlement and Veterans' Land Act—

545. To provide for protection of security—soldier settlement, and refunds of surplus to veterans, $15,000.

546. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and for protection of security under the Veterans' Land Act, $21,300,000.

Treatment services—

757. Operation of hospitals and administration—further amount required, $100,000.

758. Prosthetic services—supply, manufacture and administration—further amount required, $42,000.

War veterans allowances and other benefits—

759. Assistance fund (war veterans allowances)—further amount required, $100,000.

Terminable services—

760. Rehabilitation benefits, including the training of certain pensioners, under regulations approved by the governor in council—further amount required, $670,000.

Loans, investments and advances—

Soldier Settlement and Veterans' Land Act—

768. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and for protection of security under the Veterans' Land Act—further amount required, $5,150,000.

# HOUSE OF COMMONS

**Wednesday, June 23, 1954**

The house met at eleven o'clock.

## LIBRARY OF PARLIAMENT

CONCURRENCE IN SECOND REPORT OF JOINT COMMITTEE

**Mr. Speaker:** I have the honour to present the second report of the joint committee of both houses on the library of parliament.

**Hon. J. W. Pickersgill (Secretary of State):** By leave I should like to move:

That this house do now concur in the report of the joint committee on the library of parliament which has just been read.

Motion agreed to.

## ST. LAWRENCE SEAWAY

TABLING OF NOTES EXCHANGED BETWEEN THE UNITED STATES AND CANADA

**Hon. L. B. Pearson (Secretary of State for External Affairs):** I should like to table two copies in English and two copies in French of notes exchanged between the United States ambassador to Canada and myself, on June 7 and June 16, respectively, on the subject of the St. Lawrence seaway.

Hon. members will see from these notes that the United States government, in transmitting copies of the Wiley Act recently adopted by congress, stated that it was anxious to undertake discussions with the Canadian government on the subject of the seaway. Canada is prepared to do so at the earliest date convenient to both governments.

Because it may not be very clear why discussions between the two governments should be held at this time, it might be useful for me to add a few words of explanation. In 1951, the Canadian parliament enacted the St. Lawrence Seaway Authority Act which allows a Canadian corporation to build the seaway from lake Erie to the port of Montreal in Canadian territory. By exchange of notes dated June 30, 1952, and tabled in parliament on July 1, 1952, Canada and the United States agreed that the power project in the international rapids section should be built jointly by Canada and the United States and that this project should be separated, as far as is possible, from the seaway project. As for the seaway project, the exchange of notes of June 30, 1952, between Canada and the United States embodied an arrangement whereby Canada would build the seaway between lake Erie and the port of Montreal on its side of the boundary. This was, of course, before the passage of the Wiley Act which provided for United States participation.

With the passage of the Wiley Act, the situation could be summed up as follows: Canada is fully empowered by its own legislation to build the seaway from lake Erie to Montreal; an international agreement or arrangement between Canada and the United States has recorded the agreement of both countries to this course of action. However, hon. members will recall that as far back as January 9, 1953, and as late as May 6, 1954, the Prime Minister (Mr. St. Laurent) declared that the Canadian government was prepared to discuss any specific proposal which the United States government might wish to make, the sense of which would be to vary that portion of the arrangements of June 30, 1952, dealing with the seaway, provided no delay would be caused in the construction of the seaway or power projects, as a result of the consideration of such proposal. Finally, the congress of the United States decided, in May 1954, to build a segment of this seaway entirely within United States territory. Clearly, then, if the object of the Wiley Act is to be achieved, it becomes necessary to hold discussions between Canada and the United States in order to modify the existing arrangements between the governments as contained in the notes of June 30, 1952.

Because of the nature of the arrangements of June 30, 1952, and of undertakings given by Canada, talks must be undertaken soon if they are not to delay the seaway or power projects. Canada accordingly suggested on June 16 that discussions between officials of both governments be held in Ottawa in the week of June 28, for the purpose of preparing specific topics which might form the basis for subsequent intergovernmental discussions. I have not heard yet from the United States ambassador what exact date would be agreeable to his government, but I expect that the talks will get under way in Ottawa in the very near future.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I wish to say only a few words about this but with particular reference to one source of satisfaction which

I feel should be in the mind of every hon. member and every Canadian, that we have reached the point when talks of this kind can take place. Very naturally there has been great emphasis upon the opportunity for larger ships to pass up and down the St. Lawrence to the upper waters of our great inland waterways. Naturally also great emphasis has been placed upon the much needed and immense resources of electric energy which will become available.

I am inclined to think, however, that perhaps one of the most valuable features of the undertaking which is contemplated by this conference is the unique evidence which will be given not merely of our verbal and very real expressions of understanding between Canada and the United States, but of one of the most remarkable and practical examples of international co-operation the world has ever seen, and I am not aware of any similar undertaking along the boundary of any other two nations. As we see that waterway go ahead, as we see the power development take place and the greatly needed horsepower become available for industry and for the farms and homes of this province as well as New York state, let us thank God that two nations can live together, work together, and understand each other as these two nations do.

**Mr. M. J. Coldwell (Rosetown-Biggar):** Mr. Speaker, I would just like to say that up to a certain point I agree with what the Leader of the Opposition has said. As I have said in this house before, I think that under certain foreseeable circumstances it might be better if one or the other of the two countries undertook this project of its own volition. I believe that would prevent any complications in the future. However, discussions are to take place with regard to a joint undertaking. I hope the Prime Minister (Mr. St. Laurent) and the government will carry out the pledge given that this co-operation and the preparation for it must involve no unnecessary delay. We have had so many years of discussion about this project that if there is any disposition to delay I think the matter should be proceeded with by Canada. We have the legislation and the government has the authority, and I think the project should be proceeded with by Canada alone if necessary.

I agree with the Leader of the Opposition, however, that the demonstration of the undertaking of a power project on a joint basis is sufficient evidence to the world that two nations can live together side by side with a contiguous boundary and be able to undertake a joint project of this description. However, I hope there will be no delay, and if there is any disposition to delay I hope the government will proceed to build this as a Canadian project; because, as I have already said and I would like to emphasize this, I think that for the future it would be better if one or other of the two governments undertook this project of its own volition, and I would have liked to have seen Canada undertake this project in that way.



## QUESTIONS

SERVICE HOSPITALS—DIET COST PER DIEM

**Mr. Balcom:**

What is the per diem cost of hospital diet per patient in service hospitals (a) navy; (b) army; (c) Royal Canadian Air Force?

**Mr. Blanchette:**

Unless a member of the services requires a special diet, he receives the ordinary ration and the average cost of this is 93 cents per day. The cost of the special diets varies with the locality, the hospital and the diet.

OLD AGE SECURITY—LIENS COLLECTED

**Mr. Hansell:**

1. How many liens have the government collected on estates of old age pensioners under the Old Age Pensions Act, since the Old Age Security Act came into force?
2. What is the total amount collected?
3. What amounts were collected from each province?

**Mr. Martin:** Mr. Speaker, I wonder if the hon. gentleman would agree to perhaps reword this question or allow it to drop. We had a chat on it the other day.

**Mr. Hansell:** Would the minister agree to allow it to stand on the order paper and not pursue the answer for a little while? I am in touch with the Alberta government respecting this, so perhaps it could be allowed to stand meantime.

**Mr. Speaker:** Is it agreed that the question be allowed to stand?

**Some hon. Members:** Agreed.

**Mr. Speaker:** Question stands.

## QUESTION PASSED AS ORDER FOR RETURN

WHEAT BOARD RECEIPTS OF TOUGH GRAIN

**Mr. Argue:**

1. What were the wheat board receipts of tough grain by grades for the crop year 1952-53?
2. What quantity of this grain was dried (a) by artificial means; (b) by natural drying?

## EXTERNAL AFFAIRS

GUATEMALA—INQUIRY AS TO SITUATION

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I wonder if the Secretary of State for External Affairs is

yet in a position to answer several questions we put to him recently regarding the situation in Guatemala? I have in mind in particular my question of June 19 as to the source of the arms being used by the invaders, and the question of my colleague the hon. member for Winnipeg North (Mr. Stewart) on June 21 as to whether there has been any attempt at foreign interference in the dispute on behalf of either side.

**Hon. L. B. Pearson (Secretary of State for External Affairs):** Mr. Speaker, I had intended to make a short statement on this matter yesterday, but I thought it would be courteous for me to wait until the hon. member for Winnipeg North, who asked the original question, was in his place. I can say now, as I would have said yesterday, that there is not enough information to give any adequate or final answer to the questions that have been asked.

The political situation in regard to developments in Guatemala is certainly not clear, though the military position would appear, on the information at our disposal, to be reaching a climax. To the best of my knowledge, based on information we have received, the attacking forces in Guatemala seem to be Guatemalan, though some non-Guatemalans may be included in those forces.

As hon. members know, the United Nations has intervened. A meeting of the security council was requested by the Guatemalan government, and it was held, immediately after their request, last Sunday. At that meeting representatives of Guatemala alleged invasion and aggression by "foreign mercenaries", but made no charges against any other country, neighbouring or otherwise. Thereupon the delegates of Brazil and Colombia introduced a resolution at the security council to submit the question urgently to the Organization of American States. That resolution was approved by a majority but was vetoed by the delegate of the Soviet union. Thereupon the delegate of France introduced a resolution calling for the immediate termination of any action likely to cause bloodshed, and requesting all members of the United Nations to refrain from giving assistance to any such action. That resolution was carried unanimously.

We have received messages direct from Guatemala from the Canadian government trade commissioner in that city, and he has told us that the lives and property of Canadian citizens were not at that time in any danger. A later message received yesterday afternoon indicated that matters would be reaching a climax very shortly indeed. Apart from the trade commissioner and his family, there are, as far as we know, about 24 Canadian residents in Guatemala.

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I wish merely to make a comment in relation to the statement made by the Secretary of State for External Affairs (Mr. Pearson) because it does suggest that perhaps a good deal of caution should be exercised in approaching this subject. I was extremely interested when I received last Saturday morning a letter from the secretary of the communist party in Canada urging that, along with other believers in democracy, we should assert our views with regard to the Guatemalan situation. I was extremely interested in the speed with which the party line had been declared and duly indicated by the servants of Moscow here in Canada. I wish to make this perfectly clear: I am not for one moment suggesting that any question —and very proper questions they were— devoted to this subject should not be asked. I cannot, however, refrain from expressing my interest in the promptness with which our communists here in this country follow the party line and the orders from Moscow. I propose to keep with some interest that communication received only the day after the trouble started in Guatemala, as evidence at least of the efficiency of this world treachery.

**Mr. Coldwell:** I rise on a question of privilege, Mr. Speaker, in view of the reference which has just been made. I too received that letter. I hope the Leader of the Opposition replied to it as I did, stating that I would pay much more attention to it if the communist party had made similar protest when the Czechoslovakian government and some other governments were overthrown, and that until they did that, their expressions of opinion—even when I shared them, as I did in part in this instance— could not impress me as being consistent or command our respect.

## UNEMPLOYMENT INSURANCE

### INQUIRY AS TO DISQUALIFICATION FOR BENEFITS UNDER ACT

On the orders of the day:

**Mr. J. L. Gauthier (Nickel Belt):** Mr. Speaker, I should like to direct to the Minister of Labour a question of which I have given him notice: Has there been any change by regulation or otherwise in the interpretation of section 41 of the Unemployment Insurance Act—disqualification for benefits— in the case of a stoppage of work due to a labour dispute where only a small classified group of the main bargaining unit withdraws its labour from the service of the employer;

and what is the position under the act of the main body of workers in the bargaining unit?

**Hon. Milton F. Gregg (Minister of Labour):** I thank the hon. gentleman for giving me notice of his question. In reply to the first part of it, I can tell him that there has been no change. In reply to the second part, I do not think I can do better than to quote part of section 41 of the Unemployment Insurance Act, which reads as follows:

> 41. (1) An insured person is disqualified from receiving benefit if he has lost his employment by reason of a stoppage of work due to a labour dispute at the factory, workshop or other premises at which he was employed unless he has, during the stoppage of work, become bona fide employed elsewhere in the occupation that he usually follows, or has become regularly engaged in some other occupation; but this disqualification lasts only so long as the stoppage of work continues.
>
> (2) An insured person is not disqualified under this section if he proves
>
> (a) that he is not participating in, or financing or directly interested in the labour dispute that caused the stoppage of work, and
>
> (b) that he does not belong to a grade or class of workers of which immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage is taking place any of whom are participating in, financing or directly interested in the dispute.

To that I would add that in a decision in 1951 the Canadian umpire, who is the final authority under our Unemployment Insurance Act, said as follows:

> I readily endorse the following remarks made by the British umpire: "It seems to me that the intention of the act is to exclude from benefits, in addition to the workers who are directly interested, those who are indirectly interested by reason of the terms and conditions of their employment being the same as the persons who are directly interested".

In a number of decisions the Canadian umpire has maintained the principle set out in his 1951 decision from which I have just quoted. I would draw the attention of the hon. member to decisions—C.U.B. 981-1019—of the umpire, copies of which are available. I can send them to him if he wishes me to do so.

## VETERANS LAND ACT

### REQUEST FOR EARLY CIRCULATION OF ACT WITH AMENDMENTS

On the orders of the day:

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, I wish to address a question to the parliamentary assistant to the Minister of Veterans Affairs. I must apologize for not giving him notice but in these hectic days one gets a good deal of unanticipated information. I am informed that consolidated copies of the Veterans Land Act, with the amendments recently passed by parliament, will not be available for circulation until this fall. In view of the importance of these amendments and their length, can the parliamentary assistant say whether arrangements could be made to have this act, which is extremely important to veterans, printed and circulated at an earlier date?

**Mr. C. E. Bennett (Parliamentary Assistant to the Minister of Veterans Affairs):** I will look into the matter and advise the hon. member.

## HOUSE OF COMMONS

### INQUIRY AS TO DATE OF NEXT SESSION

On the orders of the day:

**Mr. E. G. Hansell (Macleod):** Mr. Speaker, might I direct a question to the Prime Minister. I think it concerns all hon. members in that they will want to adjust their schedules throughout the coming months. Does the Prime Minister care to give the house some idea as to when we might reconvene? Can he say whether it will be in the late fall or the first part of the next year?

**Right Hon. L. S. St. Laurent (Prime Minister):** I am sorry that I cannot give the hon. gentleman any information about that matter, Mr. Speaker. The question has not yet been considered by the government.

## PUBLIC SERVICE

### FIVE-DAY 40-HOUR WEEK—STATIONARY ENGINEERS AND FIREMEN IN OTTAWA AREA

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I wish to direct a question to the Secretary of State. Have arrangements yet been made for stationary engineers and firemen employed by the federal government in the Ottawa area to be put on the five-day 40-hour week? If not, how soon will such arrangements be made?

**Hon. J. W. Pickersgill (Secretary of State):** The hon. gentleman sent notice of this question to my office but I did not arrive at the office until two minutes to eleven.

**Some hon. Members:** Oh, oh.

**An hon. Member:** Did you sleep in?

**Mr. Pickersgill:** I did not have time to inquire about the matter. I find that on May 3 I said, in reply to a question, that this matter was under consideration. I imagine that as the hon. gentleman is asking the question, it means that the consideration has not been concluded or he would have

known about it; therefore I can assume that it is still under consideration. As the hon. gentleman well knows, it is not the custom of the government to anticipate announcements of things the government is going to do.

## NATIONAL DEFENCE

REFERENCE TO REPORTED INTERVIEW GIVEN BY LIEUTENANT GENERAL GUY G. SIMONDS

On the orders of the day:

**Mr. M. J. Coldwell (Rosetown-Biggar):** Mr. Speaker, I wish to direct a question to the Minister of National Defence. May I say that I had the question drafted and ready to send to him but I did not arrive at the house until the bell was ringing; consequently it was not sent. Perhaps he can take it as notice and answer the question later. I may say that I intended to send him the clipping upon which the question is based. Has the Minister of National Defence any comments to make on a reported interview given by Lieutenant General Guy G. Simonds, in which he stated that "the vast majority of Canadian officers share his view that every youth in the country should receive two years' military training"? Was the subject of the interview discussed with the minister at any time before such a statement was made publicly by the head of our defence forces?

**Hon. Brooke Claxton (Minister of National Defence):** When I noticed this report, Mr. Speaker, I naturally caused inquiries to be made, and I received from General Simonds a telegram explaining the circumstances of his statement and also stating more fully and perhaps more accurately what he said. He was at a meeting of officers of the Canadian Army in Saint John, New Brunswick, and after a talk he gave them he was asked a question which is quite frequently put on similar occasions. I myself have been asked it a great number of times. He was asked what his views were on the subject of national service. He made a reply which I think you could expect almost any officer to make, namely that he would be glad to see every youth in the country receive two years' military training. Then he went on to say:

> I believe the vast majority of experienced soldiers would agree with me. But such training was impossible unless it received the wholehearted support of the people of this country and that was a matter for judgment and decision by political leaders, not soldiers. In any event experience tended to show that a period of universal military service of less than two years increased rather than diminished the problem of meeting commitment overseas. Further a system of universal military service was not a substitution for voluntary service, it could only supplement and never replace the voluntary system.

**Mr. Coldwell:** I think it is rather regrettable that, in the press as I saw it last night, that statement was not reported more fully.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

PRIVY COUNCIL

Privy council office—
*345.* General administration, $373,405.

**Mr. Drew:** Has the Prime Minister any statement to make?

**Mr. St. Laurent:** No, I do not think there is any statement I could make about the privy council that would be of real interest to the house. If there are questions I will be glad to attempt to answer them.

**Mr. Drew:** I merely asked the question in view of the fact that I have certain comments to make and wished to know whether the Prime Minister intended to say anything. It does seem to me that on this first item of the privy council estimates it is appropriate to mention certain subjects which are of concern to all of us and in regard to which the Prime Minister of necessity under our system must assume responsibility. I propose to direct my remarks to four particular subjects that it seems to me have emerged as extremely important subjects during the course of the present session.

I now wish to place these before the Prime Minister at this stage of the session in view of the fact that it is within his power to deal with them while the house is not in session. Moreover, I believe these things are things which should be dealt with before we meet again some time later this year. The first of these subjects is the business of parliament itself; the second is the judiciary; the third, a conference between federal and provincial governments; and the fourth a commonwealth conference. It is to those subjects that I propose to address my remarks because of my belief that all of them are subjects that can be, and under our system must be, dealt with upon the responsibility of the government itself. I have no intention of reviewing the extended comments there have been on different occasions about the business of the house during the present session, beyond such reference as it seems to me is appropriate to emphasize my belief that much can be done between now and the time we meet again to assure that we shall not have another session such as that which is now drawing to a close.

I know that there may be little occasion to emphasize the role of the prime minister under our parliamentary system. Sometimes, however, it does seem that even in this House of Commons there is a tendency to disregard the fact that the position of prime minister under our parliamentary system and similar parliamentary systems within the commonwealth is very different from that of a prime minister under any other system or even the head of state under a republican system. In Canada, in the United Kingdom, Australia, New Zealand or any of the nations of the commonwealth, in Asia or in other parts of the world, the prime minister has a measure of power and authority which has led some writers to speak of the position as a democratic dictatorship.

I refer to that description, used in textbooks which express complete approval of our system, with no suggestion of criticism but rather merely to emphasize the extent of the authority that is conferred upon the prime minister under our system. He is the individual called upon by the representative of the queen or the king, as the case may be, at any given time in the history of our system to form a government. Within this country we have had the good fortune to have nearly always a clear and satisfactory majority on one side or the other. In a country where the responsibility of office has been shared for almost an equal number of years by two parties, and only two parties, it has contributed greatly to the maintenance of our system that we have not found ourselves dependent upon an uncertain association of parties without a common purpose.

Where there is a clear party majority, no matter what may be said about the large majority on this occasion, the fact remains that as long as there is a working majority the result is very similar in any event. The government takes the responsibility for initiating legislation. The government rides or falls upon the confidence of parliament expressed in the legislation to which the government commits itself. Therefore any prime minister must of necessity be very careful to consult the sentiment of the members of his own party after having carefully canvassed the sentiment of the cabinet in the first instance. That is the strength of our system. That can also be the weakness of our system if the authority and power conferred in that way are not exercised in the manner that will produce the best results from both the administrative and the legislative points of view.

I come back to the position of prime minister. Having been called upon to form a government, he names the members of the cabinet. To that extent it is definitely a government of his choice. There are historic cases where prime ministers in other countries decided to have a general consultation respecting the composition of the cabinet with some disastrous results, as all students of constitutional history will recall. From that point on the prime minister by virtue of his office has, under our parliamentary system, a unique responsibility not only for legislation, for what is done, but also for the business of parliament itself.

During the past session there have been extended discussions with respect to amendment of rules. I do not intend to review the nature of the discussions in those committee meetings. It would be neither proper nor desirable that I should do so. However, it is a matter of common knowledge that much discussion has been devoted to the matter of rules which would expedite the proceedings of the house. At any rate, that much has been openly discussed in the press with full knowledge of what has taken place in the meetings of these committees. On different occasions when reference has been made to the manner in which the business of the house is dealt with and presented to the house, the comment on the other side has been that our sessions would not be so long if members of the opposition did not talk so long.

**Some hon. Members:** Hear, hear.

**Mr. Drew:** I was just going to say that I do not blame members on the opposite side for injecting comments of this kind because it is only human nature to find criticism of their own course unwelcome. However, today, and in this particular season of the year, I am not anxious to arouse unduly the sensitive nature of members on the other side in regard to this subject. I am simply recalling that it has been pointed out we have a very strong belief that there are those who would welcome complete silence from the opposition.

**An hon. Member:** Hear, hear.

**Mr. Drew:** Now, you see how far this has gone because one of the hon. members says, "hear, hear".

**Some hon. Members:** Oh, oh.

**Mr. Weir:** That would be the hon. member for Kamloops.

**Mr. Drew:** I must admit that one of the problems with these microphones is that you no longer know exactly from what part of the house comments are coming. I simply want to point out, without in any way entering into an argument of this kind, that if there is to be an improvement in the conduct

of business in the house, it will be the prime minister—whether the present Prime Minister or any other prime minister at any time —who will very largely determine the way in which business is conducted. His must be the responsibility for guiding the meetings of the privy council, the estimates of which are now before us. His must be the responsibility of leading the house; his must be the responsibility of placing before the house, whether on his own part or through one of his ministers, the measures of the government by which the government will seek an expression of confidence from parliament.

I therefore wish to refer to those discussions which have been taking place in regard to the rules. The business of this house will not be expedited in any way by attempting to pass rules which limit the opportunity for debate. The business of this house will be speeded up and made more effective by the proper organization of the business of the house from the first day we meet.

**Mr. Brown (Essex West):** This is out of order.

**Mr. Drew:** On this occasion, the loud speakers have not in any way led me to mistake the source of that remark. I would point out that anything is out of order in the minds of some hon. members if it happens they do not wish to hear any opposition expressed to the procedure here.

**Mr. Harris:** On a point of order.

**Mr. Drew:** I am making a positive suggestion that next session—

**Mr. Harris:** I did not hear the interjection, and I do not know who made it or what it was about, but if there is any doubt about this discussion being out of order, may I point out that the rules are being presently considered by a committee. This committee has made no report to the house, and therefore it is not proper to discuss the matter here.

**Mr. Drew:** I am not discussing any recommendations to be made, Mr. Chairman. I am discussing what will expedite the proceedings of the house. I would also ask the minister who has just spoken, through you, Mr. Chairman, if recommendations are going to be made at this session in regard to the changing of the rules?

**Mr. Harris:** I can readily answer that question. Hon. members opposite asked that it should not be done.

**The Chairman:** I believe the Leader of the Opposition is in order in discussing generally the business of the house. He realizes, of course, he cannot discuss this question of the rules, which has been before a committee, as no report has been presented and we must not anticipate that report.

**Mr. Drew:** As you will recognize, Mr. Chairman, I have been discussing this subject from a general point of view for the very reason mentioned. I would point out that the interjection which has just been made by the minister illustrates the very point I have been seeking to make with regard to the conduct of business. The reason advanced was that a committee is discussing the rules, and therefore it would not be proper to discuss any aspect of the rules; yet the minister suggests that we are not going to consider the rules, so by that procedure a blanket is thrown over this whole discussion.

**Mr. Harris:** I hope we can be regular in our debates, and I know from former occasions it has been desirable to let hon. members make their speeches rather than to interrupt them. However, I did not make that answer. The committee has not finalized its recommendations, and what the committee may decide to do I do not know, being only one of 21 members.

**Mr. Drew:** I have no desire to conduct a debate at arm's length with the minister, but I understood him to say there would be no report on the rule changes because some members on the other side did not wish it done. I took his words to mean exactly what they said. In fact, I was rather pleased that this was one of the first occasions upon which the views of the opposition were being accorded some recognition.

We can dispose of that, however, because the chairman has said that a general discussion is quite proper. I am pointing out that the speed with which we are able to proceed at the next session will depend upon what is done between now and the beginning of the next session. It is to that I am now directing these remarks. When the session begins, there will be a speech from the throne, as there was at the beginning of this and every other session. The speech from the throne, prepared by Her Majesty's advisers, is in fact a statement by the government of the business it intends to present to parliament. It is a guide to the members and to the public, as to what the government has already decided to do. It is a guide to the members on the other side of the house as to those things which they should try to bring forward if they feel there are subjects which are not otherwise going to be presented.

Since the government in that speech from the throne is stating what it proposes to do, then presumably before that statement is made a decision has already been made in

cabinet in regard to each of these matters. In fact, it is not conceivable that any such statement would be made without a decision in advance by the cabinet. After that decision has been made by the cabinet, then in the ordinary course of events the legislation which is announced in the speech from the throne can be prepared in advance. In fact, unless it has been prepared in something approximating draft form it is difficult to understand how the cabinet could have given approval to the general idea. It is a matter of common knowledge that when any cabinet decides that a certain thing is going to be done, it does so upon the basis of a memorandum which substantially sets out what is contemplated in the form of legislation.

For that very reason, there can be no difficulty whatever in having most of the legislation ready at the time the session meets. Within a few days of the speech from the throne being read by Her Majesty's representative, a substantial part of the legislation could be put on the order paper. If that were done, then hon. members on both sides of the house would have the opportunity to examine that legislation, to avail themselves of the opportunities that are afforded for inquiry from people who are experts in the various fields, and to know in advance what it is that is to be considered.

Let us take just one example. For many weeks—I am inclined to think it is perhaps for some three months—we have been under the impression that legislation was to come forward to deal with amendments to judges' salaries. We were told that there was to be an amendment to the Judges Act. I believe that answer was given in response to a question I directed to the Prime Minister some time ago.

Even before that, however, there have been comments in the press about the likelihood of this taking place; and in this case the comments were shown to be well informed. However, the legislation that actually came down was not legislation of the kind contemplated. It will be recalled by hon. members that I have asked on different occasions if the Prime Minister would inform us in regard to the nature of the legislation, or when we might expect it; and, without attempting to give the exact words, the information received was that the government was not ready to give us this information.

Because it was thought that a measure dealing with judges' salaries was under consideration—incidentally, I might say it was known that consultation was taking place in regard to this subject between the government of Canada and representatives of at least some of the provincial governments—hon. members did not raise this subject by way of a substantive motion, or otherwise.

Now we find that the amendment to the Judges Act is not an amendment such as had been contemplated by many members, but is an amendment which calls for the appointment of two new judges, one to the superior court of Alberta and the other to the superior court of British Columbia. Without in any way considering the merits or the details of this subject, at least it can be said that hon. members were under the impression that the subject of judges' salaries was going to come forward.

Then, without any suggestion of raising another subject that, at least outside this house, might offer some possibility for extended argument, there is the fact that from the very time we heard the speech from the throne we were told that there was going to be an amendment to the Municipal Grants Act. For that very reason, substantive motions which we have presented on other occasions in regard to relief of the municipalities from certain taxes, and assessments on property, were not presented because we knew it had been stated that on the order paper there was going to be a resolution referring to the question of assistance to the municipalities.

Now we find, at this stage of the session, that the act is not going to be proceeded with. On the one hand we have the statement in the speech from the throne that an amendment was going to be presented—and, after all, that is a subject that must have been decided on, one way or another. It is a bill which surely should have been prepared. Not only do we not have the opportunity to deal with that act but, by virtue of the fact that a resolution has been on the order paper relating to it, we have been denied the opportunity to have other discussion take place which could have produced results.

When I made the comment I did make a short time ago in regard to members of the opposition being heard, may I say there have been occasions—and I certainly commend those ministers who have accepted these opportunities—to make various amendments on the basis of proposals which came from the opposition. I can recall an amendment accepted by the Minister of Justice, and another amendment accepted by the minister of the new department which deals with northern affairs. I recall an amendment accepted by the Minister of National Revenue, as well as amendments accepted by other ministers. These were accepted in good spirit, as constructive suggestions which the government felt might improve the legislation they were presenting.

This is an indication of the value of having an early opportunity to consider legislation and to discuss it with those who can give sound advice. It would seem to me that well over half—perhaps three-quarters—of the legislation that would come forward in a session could be on the order paper within the first two weeks. After all, most of the bills are short, interpreting decisions already made by the government when the speech from the throne is prepared.

If those were on the order paper, particularly at the time we meet before Christmas, then during the extended Christmas holidays hon. members, who do take these tasks seriously—and the discussion that takes place indicates just how seriously they accept their responsibilities—would then come back with information that would make it possible to deal with these subjects much more rapidly.

Moreover, I am convinced that, if legislation were brought forward in this way, the debate on the speech from the throne would be greatly shortened. Hon. members would know what subjects were going to come up, and what the nature of the discussions would be within the framework of legislation they had already seen. For the same reason, the debate on the budget would be greatly shortened. This undoubtedly would encourage the direction of debate to positive measures before the house either by way of bills or by resolution.

Therefore in the light of what has happened during a session which is, at least, the second longest in Canadian history, and the least productive—

**An hon. Member:** The third longest.

**Mr. Drew:** I am informed that only the session of 1903 was longer. However, whether it is the second or the third longest, may I say that this is certainly the longest of any session which has produced very little of a positive nature, with the exception of the amendments to the Criminal Code.

**Mr. Pickersgill:** Certainly the dullest.

**Mr. Drew:** Yes, as one hon. member opposite has said, it is the dullest, because the house has floundered without any leadership in regard to its business during practically the whole of the session.

Hon. members have had to seek information by every device possible. We all know even within the last few days how rigidly the government refuses to open doors to information which is not confidential, by any ordinary meaning of the word, but which would have helped greatly to expedite the business of the house.

We do know that one of the departments, which proceeds most rapidly once its estimates come before the house, is the Department of External Affairs. And that is because, by custom, those estimates are referred to a committee, and dealt with there. When they come back to the house, hon. members know that representatives from both sides of the house have examined the items; and therefore, subject to such general debate as may take place in regard to external affairs, the house proceeds to deal with the estimates very quickly. I feel therefore that the same practice could be employed with very great advantage in the case of the Department of National Defence, in the case of the Department of Labour and in the case of other departments which naturally require some examination if the business is to be done expeditiously.

I recognize, Mr. Chairman, that there are always measures which cannot be ready when the house meets. I recognize that in this session there was a tremendous undertaking carried out by hon. members and by the other place in the amendment of the Criminal Code. The Minister of Justice and I do not always agree, but I wish to say without any reservation that hon. members greatly admired the patience and detail with which he dealt with these extremely important amendments to one of the heaviest and most important pieces of legislation of the House of Commons and the parliament of Canada. That work of course of necessity was bound to take a long time; but may I point out that the task of the Minister of Justice and of the committee would have been a hopeless one if the house had been suddenly confronted with that mass of legislation dealing with the rights of the individual in Canada under the Criminal Code. What made it possible for the minister to proceed in an orderly way, and what made it possible for the opposition to deal with it in an orderly way—and may I say that the chairman of the committee of our own party, the hon. member for Kamloops, is equally to be commended for the manner in which he followed section by section in the legislation before the house, as did other members of that committee—what made it possible for this legislation to be dealt with in an orderly way was that it was presented to the special committee early in the session. May I say that this could never have been done unless hon. members, and particularly the members of the legal committees of both sides of the house, had been able to examine this in advance, to check with legal experts outside, members of the bar association and others in regard to the implication of various amendments that were made.

Compare that, Mr. Chairman, with the act presented a short time ago to provide what is described as insurance for the civil servants. Here we had a bill which came before us without any opportunity being presented to hon. members to explore this subject, and without any opportunity for the representatives of the civil servants themselves really to present their case and check with their own members on what they thought of this unusual measure which had been brought forward by the Minister of Finance. There is a contrast, there is an illustration of the difference. There is proof of the advantage of having legislation come before us early.

However, during the course of any session new subjects of immense importance will arise, and naturally it will then be the responsibility of the government to deal with those subjects. However, when that is done, let us have the legislation just as quickly as we can and not at the last moment, as we have on some occasions during this session. I therefore urge the Prime Minister with all earnestness to see what can be done between now and the beginning of the next session to have the legislation which will interpret the decisions of the government drafted in advance and placed on the order paper. Then, when that is done, the moment that we can proceed with the completion of the debate on the speech from the throne, to have the committees set up and start work right away, and not months afterwards, as is usually the case. That would hasten the business of the session and not crowd those reports in at the last moment, as now happens. I repeat, there is only one person in this house who can successfully bring that about, and that is the Prime Minister, the man who, under our parliamentary system, has been entrusted with the immense power as well as responsibility of Prime Minister of Canada. With great earnestness I seek consideration of the views I have expressed.

The second point I mentioned was the judiciary. I need not for one moment seek to emphasize the importance of the judiciary to the Prime Minister, who is a great credit to the profession of which he is a highly honoured member. Both as past president and as honorary president of the Canadian Bar Association, he recognizes in all its significance the importance to Canada of an impartial judiciary. The only comment I propose to make in regard to this vitally important part of our constitutional organization in Canada is that, now appeals to the privy council have been abolished, the importance of every appointment to the Supreme Court of Canada is greater than ever before. I am sure every hon. member will agree with me that we have reason for great pride in the history, the traditions and the personnel throughout the years of the Supreme Court of Canada. I would not wish to pass from this subject without saying that I know that all hon. members regret that time in its inevitable course has brought the resignation of the very distinguished Chief Justice who retired the day before yesterday, because there is not one of us whose admiration for his work in that high office is not in itself evidence of our satisfaction with what has been done in that court.

However, I simply seek to emphasize that in maintaining our great legal traditions, each appointment to the high court will of course become more important than ever before. Then, there are the courts of the provinces, the superior courts and the county courts. There it is of vital importance that the impartiality of each judge be an assurance of the extension of open-handed justice on every level. The record of our judiciary in this country on every level is one of which we have every reason to be proud. I make these comments only because we know that this subject is one that is under consideration, and to the distinguished member of the bar who occupies the office of Prime Minister I simply direct these remarks as an expression of hope on the part of every hon. member that the appointments that are made to the bench throughout Canada, whether it be the Supreme Court of Canada, the superior courts of the provinces or the county courts, will be appointments which will command the confidence and increasing respect of every Canadian.

The third subject that I propose to mention is the need of a conference between the federal and the provincial governments. It is not necessary, nor do I intend, to provoke some of the interjections that would doubtless be made if I sought to review at any length this extremely important subject.

**The Chairman:** Order. I hesitate to interrupt the Leader of the Opposition, since it is extremely difficult to determine relevancy under this particular item. I did not interrupt him when he was discussing the business of the house, as I felt that of course government business must be brought forward by the government and that he was within his rights in pursuing that discussion. In view of the fact that the rules committee had been set up it would be out of order to discuss that particular matter. Then, also, I did not interrupt the Leader of the Opposition when he initiated a short discussion on the judiciary, although I felt that could more properly be brought up under the estimates of the Department of Justice which are still to come before us. Now I understand, from

the remarks previously made by the Leader of the Opposition, that he intends to discuss a federal-provincial conference. I do not wish to anticipate the manner in which he proposes to deal with that subject, but at present it would appear to me very difficult for the hon. gentleman to make such a discussion relevant to item 345. It must be realized that all manner of subjects will come before the privy council, but I cannot allow that to be taken as what I might call an excuse for discussing all manner of subjects under this particular vote. Therefore, I do feel the Leader of the Opposition should confine his remarks to the actual administration of the privy council office and not wander too far afield on other subjects.

**Mr. Drew:** Mr. Chairman, that is just exactly what I am doing. This is the only vote under which I can properly direct to the Prime Minister, as head of the privy council, the point I am making, and it is to him in his capacity as head of the privy council that I am directing my remarks on a subject which I have already said I do not propose to discuss in detail for the very reasons put forward by the chairman of the committee.

As we near the end of this session I simply point out that it must be the responsibility of the Prime Minister, as chairman of the privy council, and it can be the responsibility of no one else, to call together between now and the time we meet again a conference of the federal and provincial governments to discuss the outstanding problems which are causing great concern to many Canadians.

I have no intention whatever of dealing with the merits of the issues which have been raised. No hon. member of this house, however, should disregard the fact that, unless there is some attempt to bring together the federal government and the governments of the provinces to explore the outstanding problems, increasing difficulties and friction may occur. I urge the Prime Minister, no matter what his views as chairman of the privy council may be in regard to the position of the government of Canada, or the position of any other government, to recognize what he himself has said. I would like to quote his words because they relate to this very subject.

**The Chairman:** Order. I must interrupt the Leader of the Opposition once more. In addition to the remarks which I previously made with regard to the relevancy of his remarks, I now find that a motion on a subject of this kind was negatived on division on April 12 of this year when there was an amendment to the amendment proposed by Mr. Coldwell to reconvene the dominion-provincial conference from time to time, and so on. In view of the fact that such an amendment was negatived on that date, I feel the Leader of the Opposition is really out of order in attempting to discuss this question at this time and under this particular vote.

**Mr. Drew:** Mr. Chairman, the subject under discussion in April was not a request to call a conference between now and the beginning of next session. The subject then under discussion related to facts that were then before the house. I would point out that the Prime Minister said this, as reported in the Ottawa *Journal* of June 1, 1954:

> "Perhaps the most knotty problem of all which we had to face in recent years is that of the allocation of taxation revenues to enable governments in Canada at their different levels to carry out their constitutional responsibility.
>
> "Under the terms of the British North America Act, both the provincial and federal authorities have the right to impose taxes in certain fields.
>
> "Temporary agreements have been made with all the provinces but one, yet the basic problem of finding an acceptable solution that will allow all the provinces to preserve their rights and at the same time allow the governments to carry out their responsibilities, still remains."

It is to those words and that statement, and the problem before us now, Mr. Chairman, that I am directing my remarks, and I close my remarks in regard to this subject with the most earnest request to the Prime Minister that, whatever discussions may have taken place, whatever difference there may be, it be recognized that this is a subject of concern to all Canadians, that no one province alone is involved in this consideration, and that it would be extremely helpful to the parliament of Canada during the next session, in carrying out its responsibilities, if between now and that time a conference could be called at the instance of the Prime Minister, who is the only person who can call it, so that we know then something of what measure of agreement can be reached as to the procedure that will be followed in seeking a solution to our financial and constitutional problem.

Now, Mr. Chairman, I come to the fourth subject I mentioned, namely a commonwealth conference.

**The Chairman:** Order. May I point out to the Leader of the Opposition that remarks on the subject of a commonwealth conference would meet with the same objection that I previously raised. As I said before, all manner of subjects come before the privy council, but that does not give any hon. member the right to discuss any and all manner of subjects on this particular vote, and I must ask the Leader of the Opposition to

confine his remarks to this item and not discuss items which are far afield from this subject.

**Mr. Drew:** Mr. Chairman, I am discussing an item that relates to the position of the chairman of the privy council and it is only the chairman of the privy council who can, on behalf of Canada, take any steps that would effectively lead to a commonwealth conference. There is no other item of these estimates under which I could discuss this subject. I do so with the knowledge that next week the, shall I say, greatest parliamentary democrat in the world today is going to be a visitor here in Ottawa. I would strongly urge that at that time, when Sir Winston Churchill and Mr. Anthony Eden are here, the Prime Minister, as chairman of the privy council and Her Majesty the Queen's adviser, shall indicate, as an expression of the hope of the House of Commons and the people of Canada, that there be as soon as possible a conference of representatives of the nations of the commonwealth to consider those many things which may be of some advantage to all of us in the years ahead.

I do not propose, Mr. Chairman, to strain any ruling that might be given by suggesting in detail the subjects that would come forward. I would point out that when the leaders of the governments of the commonwealth met in London last year at the coronation the opportunity was limited for that kind of discussion which could lead to such beneficial results on an occasion such as this. Other conferences have taken place. Other conferences have failed. Only a few days ago the disarmament conference ended in complete failure. We know that the Geneva conference simply carries on with hope, and with little but hope. Here, however, is a conference of nations bound together in a common parliamentary system and with a common loyalty to the great traditions of the rule of law and the supremacy of parliament to which we all adhere. Here within this fellowship of nations are material and human resources which challenge the imagination of every one of us. Within this fellowship of member nations are more than 600 million people in Asia, in Europe, on the North American continent, and in the distant waters of the Pacific as well as on the great African continent. Here is something which offers hope to us and to all the rest of the world.

Let us take first things first. Here we have presented to us a chance to show what conferences can do and, out of the success of such a conference as this, to offer hope of greater success at other conferences in the years ahead. With respect to a wider friendship still with the United States our nearest neighbour, with France our ancient ally, and with the other nations with which we have been so closely associated, what greater challenge could we present than to show what we can do to our mutual advantage in marshalling the material as well as the human resources for the common benefit of ourselves and of all mankind? That is something that presents both a challenge and an opportunity to the Prime Minister, the chairman of the privy council, who in his recent trip around the world, saw something of the way in which Canada can and will be heard by other nations without any suggestion that we are trying to impose our will. Let no one fear that, in establishing more effective understanding within this great commonwealth—with all its tongues, all its races, all its creeds and all its traditions—we would in any way be creating any barriers between ourselves and the United States. On the contrary, we would offer to them greater evidence of how other conferences can proceed.

[The Chairman.]

May I just quote a few words written in a magnificent editorial in the New York *Times* last Sunday when, in a great newspaper, an effort was made to dispose of the suggestion of the existence of deep and fundamental differences between the United States and the United Kingdom. May I quote these words:

> There will be no deep conflict between this country and Britain: Not until Moscow adopts the golden rule as its sole policy, not until the moon turns blue—and not then.

Mr. Chairman, not until the moon turns blue—and not then—can there be misunderstanding between Canada and the United States. Let us give to them dramatic evidence of the fact that we are members of a wider world fellowship and that when they deal with us in a friendly manner, as they do, they deal with us as a partner in a wider association. That in itself would bring the great human and material resources of the United States still closer in harmony and in fellowship, with resulting immense benefits for us, for the commonwealth, for the United States and for the whole world.

**The Chairman:** Shall this item carry?

**Mr. Blackmore:** Does the Prime Minister desire to reply before others have something to say concerning this matter?

**Mr. St. Laurent:** If there are others who have something to say concerning this matter, I think I should perhaps hear them before I make a reply in order that I may not have to make more than one.

**Mr. Blackmore:** I am glad that the Leader of the Opposition has noted that one of the finest occasions on which to raise matters of great national importance is the occasion on which the Prime Minister's estimates are before the House of Commons. I am glad that he raised the four points which he raised. I should like to ask the Prime Minister some questions which he will be able to answer when he answers the Leader of the Opposition. These questions of mine have to do in considerable measure with the matter of the great foe which we are engaged in fighting across the world, namely communism. The first question is this. Does the Prime Minister propose to win the cold war? That may seem like a silly question. I hope the Prime Minister can make it look silly.

**Mr. Fulton:** I do not think he heard the hon. member.

**Mr. Blackmore:** I will say it again if he did not hear me. Question No. 2 is this. If so, what has he done in that respect since last August 10, designed to win that cold war: (1) to recognize communist measures; (2) to offset them; (3) to counter-attack? I now have reference strictly to the cold war. The third question is this. Has the Prime Minister had brought to his attention the communist over-all world plan to win completely domination over the world in the next twenty years, as that plan was outlined in a document recently presented before United States governing bodies by Senator Knowland and summarized in the Ottawa *Journal* on June 1, 1954, at page 2? Fourth, what specific measures has the Prime Minister taken to offset communism in Canada, first, in discovering what are the techniques communism has employed? When I began studying this matter I found that my lack of knowledge about communist techniques was astounding to me. Second, what is the degree of success communism has attained in Canada? Third, what are the possible means available to Canada of combating communism in Canada? Again I have particular reference to the cold war as it is being conducted in Canada. Just to indicate to the Prime Minister how serious this problem really is and what is going on right under his nose—

**Mr. Harris:** Mr. Chairman, I rise on a point of order. I must apologize for interrupting again, but you can see how far we are going to be afield if, on the estimates of the privy council, we discuss the cold war which has been discussed during this session on more occasions, I think, than at any other time since the Korean incident. We had a long discussion on external affairs and I would hope that we do not repeat it or even discuss the matter in any form on these particular estimates.

**Mr. Blackmore:** Mr. Chairman, I appreciate the virtue of what the minister has said. My object is to concentrate attention on something and what to do about it. One of the things that just desolate a person sitting in this chamber year after year is the tremendous amount of babbling there is against people—

**Some hon. Members:** Hear, hear.

**Mr. Blackmore:** Just wait until I say the next thing and then see whether you will say "hear, hear". As I say, one of the things that desolate a person sitting in this chamber year after year is the tremendous amount of babbling against the wrongs which we have with never a suggestion as to what to do about them. Literally volumes are filled by members of the official opposition crying out against ills and trying to convey to the country that if only they were in the position occupied by the Prime Minister all would be perfectly well.

**The Chairman:** Order. I believe the point of order raised by the Minister of Citizenship and Immigration is very well taken. I have listened to the questions put forward by the hon. member for Lethbridge, and I should like to point out to him that in my opinion these questions might more properly be advanced under the estimates of the Royal Canadian Mounted Police. Therefore I would ask his co-operation at this time.

**Mr. Blackmore:** I agree with you that they would be quite suitable under the estimates of the Minister of Justice, but all the points which could be taken up with the Prime Minister on an occasion like this would be appropriate to be discussed under the estimates of one or other of the many ministers who govern under the Prime Minister. Consequently I think the suggestion the chairman has made rather loses its validity in the light of what I have just said. I still believe that I shall have plenty to take up with the Department of Justice after I get before the Prime Minister those things that I wish to say today. There are not very many of them. It will not take me more than seven or eight minutes, and if the chairman will let me proceed I think he will find that they are not out of order to be brought up on the first item of the estimates of the man upon whom the full responsibility rests for everything that occurs in Canada.

**The Chairman:** If I were to follow the hon. gentleman's argument to its logical conclusion we would be able to discuss any

subject whatsoever under item 345. The hon. member will note that this item deals with the general administration of the privy council office. I request the co-operation of hon. members in limiting their discussion to that item. At this late stage of the session I do not wish to be forced to make a definite ruling against a member, and I do ask the hon. member for Lethbridge to limit his remarks to this item and to refrain from the general remarks which he has been making.

**Mr. Blackmore:** My remarks from now on will be very specific, I assure you. I do think, however, with all deference to your opinion, that what I am saying is quite as relevant to this department as were the remarks made by the Leader of the Opposition.

**An hon. Member:** Of course two wrongs do not make a right.

**Mr. Nicholson:** That still does not make it right.

**Mr. Blackmore:** With your tolerance, Mr. Chairman, I should like to ask two more questions. Does the Prime Minister know specifically what is the communist line in America for 1954? This will be of importance when one undertakes to determine whether or not the remarks of any member of this house, any person speaking over the C.B.C., or any minister, are remarks that follow the communist line. There is a definite communist line for 1954. There was a definite communist line for 1953. Once one knew this line one could detect a communist speech anywhere. To illustrate to the Prime Minister what I have in mind, I am going to beg the permission of the committee to read a quotation from one of the radio commentators—

**Mr. Nicholson:** Mr. Chairman—

**The Chairman:** Order. As I said before, I hope I am not forced to make a definite ruling, but if I am forced to do so I intend to do so very quickly. The hon. member said he had two questions to ask. One of them has been asked. I am not going to interrupt him if he wishes to ask the second question without further comment, but if there is further comment along these lines I am afraid I must make the definite ruling that this is out of order.

**Mr. Blackmore:** Mr. Chairman, I have no desire to cause you any annoyance or to be out of order in the slightest degree, but I have an excessively important message to deliver to the people of Canada.

**Some hon. Members:** Oh, oh.

[The Chairman.]

**Mr. Blackmore:** I am the judge of that. Every member of this house has the right, by virtue of the responsibility that was placed upon him when he was elected, to put the case as he sees fit.

**Mr. Pickersgill:** Within the rules.

**Mr. Blackmore:** I am going to ask you if you would consider that I would be out of order if I were to give an outline of the communist plans for the next twenty years as found in a document—

**The Chairman:** Order. I thought I had indicated sufficiently clearly when I was on my feet before that I do consider this line of discussion very much out of order under this item. If the hon. member wishes to ask his second question I will allow that, but I cannot allow any further discussion on this subject at this time.

**Mr. Blackmore:** I will bow to your ruling, Mr. Chairman, and I give notice to the Minister of Justice that I will have this in mind when his estimates are before us.

Item agreed to.

Federal district commission—

347. To provide for maintenance and improvement of grounds adjoining government buildings at Ottawa, and to authorize an amount not exceeding $132,000 for construction, improvements and operation of the parks, parkway system and other works under the control of the federal district commission which is additional to the sum of $300,000 granted by chapter 112, revised statutes, $475,085.

**Mr. Nicholson:** There are at least two problems that have been brought to my attention in connection with expropriation. I should like to draw the Prime Minister's attention to section 46 of the Exchequer Court Act. In quite a number of cases property belonging to citizens of Ottawa was expropriated by the crown in 1947, and settlement has not yet been made. As the act now stands, it requires that settlement be made as at the time of expropriation, which in this case would be 1947. I am sure the Prime Minister will be the first to admit that if it is necessary for the state to take the property of citizens they should not be worse off because of the taking of the property than they would be if it had not been done.

I would suggest that the Exchequer Court Act be amended to make provision for settlement as at the time of expropriation or as at the time the state takes the property. I am sure the Prime Minister will agree that it would cost twice as much now in some cases to replace the property as it would have in 1947. I wish the Prime Minister would give consideration to introducing an amendment to this act next year so that settlement

may be made as at the time of expropriation or as at the time that payment is being made by the state.

**Mr. Fulton:** I notice that the amount here is in excess of the sum of $300,000 provided for under the statute. It is over the $300,000 this year and it was also in excess of that last year. I should like to ask the Prime Minister whether it appears to be established as the result of experience that the amount provided by the statute is apparently inadequate, and that possibly the proper way to handle it might be to amend the statute to provide for a larger annual amount rather than having to go on voting supplementary amounts each year.

**Mr. St. Laurent:** Some consideration has been given to an amendment of the statute, but I think it is perhaps still desirable to have this distinction between the amount provided by the statute and the appropriation asked for each year. The amount provided by statute has been considered as the amount required to maintain the properties vested in the federal district commission, while under the other item we provide for the administration, care and upkeep of the grounds surrounding public buildings in Ottawa. Most of that work is done by the federal district commission so as not to have duplication of two organizations.

The federal district commission is responsible for the driveways and parkways, and has the equipment and personnel necessary for that work which is also appropriate to the kind of work that has to be done on the grounds surrounding government buildings. They have been required, therefore, over the last many years to have that personnel do the two jobs. The overhead is divided between the statutory grant and the vote on the basis of 50 per cent to each. The amount required for the proper maintenance of the grounds surrounding government buildings is increasing with the increase, of course, in the cost of labour, as well as the increase in the areas that have to be given attention. I feel it is really more economical than if public works had one organization and the federal district commission had another organization to take care of work of the same class. There is only one greenhouse which supplies all the bulbs and plants for landscaping both the parkways, driveways that are vested in the federal district commission and the other government property.

**Mr. Fulton:** Then, this might be best tidied up by providing in the statute itself that the federal district commission shall be responsible for the maintenance of the grounds, lawns, etc.; in other words, everything but the building itself.

**Mr. St. Laurent:** There is consideration being given to that.

When we get to the supplementary estimates the hon. gentleman will find a one dollar item to take care of that and regularize the procedure. In the meantime, the same thing has been done over the years.

**Mr. Blackmore:** May I ask the Prime Minister upon which of his items he will be answering these questions?

**Mr. St. Laurent:** I think I am out of order, but the general discussion we have had this morning on the administration of the privy council is one example of the many things that have prolonged this session. It is the first time in my experience that I have heard the suggestion the Prime Minister was responsible for everything that happened in Canada. It is the first time I have been described even as a democratic dictator. I have never felt that my dictatorship was of the same kind as is usually associated with that word.

**Mr. Drew:** Just so there will be no mistakes on the record, Mr. Chairman, if the record is examined it will be seen I did not apply that word to the Prime Minister. I said that textbooks used that term in relation to the power of the Prime Minister under our parliamentary system.

**Mr. St. Laurent:** With respect to the four points mentioned by the Leader of the Opposition, I believe everyone is agreed that we did make a genuine effort this time to have most of the legislation on the order paper within the first week that parliament was sitting. As early as November 18, parliament having met on November 12, there were 6 bills and 7 resolutions on the order paper; by December 8, there were 11 bills and 5 resolutions; on January 19, 12 bills and 4 resolutions; and by February 10, 14 bills and 3 resolutions. But I confess I have been disappointed at the time it took to get the drafts of some of the subsequent bills that had to be brought before parliament. I can assure the Leader of the Opposition and the house that I was just as disappointed as anyone else over the fact that it did take some time, but I assure the house also there is a serious effort to have legislation on the order paper as early as possible.

With respect to the judiciary, I think the Leader of the Opposition and all members of parliament are in agreement that we are

very fortunate in having had gentlemen of the character we have had in the administration of justice. As a very old personal friend of the Chief Justice, who retired at midnight between June 21 and June 22 from his responsibilities, I wish to thank the Leader of the Opposition for the very kind remarks he has made about him. I know that the hon. gentleman has achieved what could be the highest ambition of any young man who enters into the profession of law, and who advances progressively and rapidly in that career. He was a distinguished barrister: that I know from having crossed swords with him almost half a century ago. He was also a distinguished superior court judge of the superior court of Quebec: that I know from having been before him on more than one occasion in that capacity. He was a distinguished puisne judge of the supreme court, and subsequently a distinguished Chief Justice of that court.

It was not my privilege to appear before him while he was Chief Justice because events had caused me to follow other paths. But I had been before him on many occasions when he was one of the puisne judges of the court. I know that it will be a great satisfaction to him to have had this tribute to his career expressed in this house. I do wish to thank the Leader of the Opposition for making it possible to have that tribute expressed this morning.

The hon. member suggests that there should be a dominion-provincial conference. There certainly will be a dominion-provincial conference just as soon as we can have something concrete to discuss in that conference. With respect to the fiscal relations, they are governed by a contract, in so far as nine of the provinces are concerned, which neither the Leader of the Opposition nor I would wish to repudiate. They have been contracts made in good faith by those provinces and so far as we are concerned they must be carried out in the spirit in which they were made. There would have to be some alternative suggested. In discharging the responsibilities, which are not of the over-all extent mentioned by the hon. member for Lethbridge but which are nevertheless heavy, I would not wish to call a conference and say to them: "Well now, gentlemen, you are here and what are we going to talk about; what can we suggest or consider as an alternative to what we have?"

That is one reason why serious consideration should be given, and is being given, to the suggestion from the successor of the Leader of the Opposition, as premier of Ontario, of a preliminary discussion at the level of high, technical officials. With respect to a commonwealth conference—

**Mr. Fulton:** Is that the economic committee?

**Mr. St. Laurent:** The economic committee that has been referred to, that was referred to in 1945.

We are all, I think, in both the federal and the provincial fields, anxious to find something that will be satisfactory; because we are all not only Canadians but, I think, good Canadians. And we are all living together, and are bound to continue to live together. It is unfortunate that so much is required for public services at all levels; and it is particularly unfortunate that the federal authorities have to take such a large part of the taxation that is available for the services. That creates a difficult situation. I will not go beyond that.

With respect to a commonwealth conference, there is no doubt that that is something that will arise in the course of the informal conversations we will be having. But from the impressions I brought back from the East, a conference to deal with matters affecting the East would, I think, have a better chance of being successful if it were one that was sought by the governments of the East, and that implied no possible suggestion that we of the West wanted to direct the proper policies for the solution of these eastern difficulties.

There has been a suggestion that there be a conference either of prime ministers or of ministers of foreign affairs; and I think the suggestion has been made that it would be preferable if that conference were promoted by the governments of the East rather than by the governments of the West. In any event the aim would be, as the Leader of the Opposition said, something that would be helpful. And it will be through informal discussions that we will find out what is apt to be most helpful.

Then, with respect to the questions of the hon. member for Lethbridge, I must confess that I get no confidential information from any communist sources, and that I am not cognizant of what may be the real line of the communists for North America in 1954. The hon. member certainly was not putting his first question as anything more than just a preliminary, when he asked, "Do we want to win the cold war? Does the Prime Minister want to win the cold war?" The Prime Minister does not feel that he can win the cold war; the Prime Minister feels that Canada, and all the free countries, are doing their best and will continue to do their best to

win the cold war; because together they wish and they hope to win the cold war.

I do not think I would be prepared to suggest establishing as a proper precedent a procedure on estimates under which we would not consider the amounts to be voted, but simply use the discussion of the estimates as an opportunity to discuss anything with which a minister whose estimates are under consideration may be concerned. I think it may develop that there is much to be said for the suggestion that the details, respecting some departments, might perhaps be considered more appropriately in working committees, and that when they then come back to the house it might be proper to have these discussions on very interesting but somewhat academic aspects of government policy. But it would be difficult to have the business of the house arranged in such a way when there would not be several occasions when somewhat different aspects of the same questions would be up for discussion.

I do not think any of us believe it is by rigid rules that matters of that kind can be dealt with. It does not matter very much what the language of a rule may be; if there is a serious attempt to go around it, my experience in the house has been that that attempt is usually successful. So he will try not to give the opposition parties any occasion for feeling that anything is being held back, or any reason for feeling that we are not doing our best to make it possible to have the business of the country discussed in an orderly and perhaps in a somewhat more expeditious way than has been the case during this session.

But in order to proceed more expeditiously each one of us will have to be doing his best to that end. We will continue to try to have the legislation brought down just as early as possible, because we agree that that will be helpful.

I apologize to you, Mr. Chairman, for having taken this time; but I thought that, these general remarks having been made, it might have been looked upon by my hon. friends opposite as somewhat discourteous if I did not make some attempt to reply. And it is for that reason that I did venture to make these few comments.

Item agreed to.

Privy council office—

*700.* General administration—further amount required, $5,000.

**Mr. Knowles:** I should like to ask the Prime Minister one question. He will recall that during the discussion of his estimates in April of 1953 I asked him whether he was making any progress with the implementation of the Massey commission recommendation that there be established a Canada council on arts, letters and humanities. He will probably recall the answer he gave at that time, as I do.

May I ask if he has made any progress in the meantime in his attempt to interest certain individuals in accepting appointments to such a Canada council.

**Mr. St. Laurent:** I must be perfectly frank with the hon. member and say that I have not made any attempt to deal with that problem since I came back from my visit around the world. I had correspondence with several people prior to the session, but I must admit that since I came back from my tour I have not had any opportunity to go further with that project.

This special item is not something that deals particularly with that. It is because we did not expect, when the general estimates were prepared, that we would be able to start on the printing of the consolidation of the statutory orders and regulations during this fiscal year. We now find that it will be possible to make a start before the end of the fiscal year on printing them, and that is the reason for this supplementary item.

**Mr. Knowles:** The Prime Minister does intend to pursue the matter of a Canada council when it is possible for him to do so?

**Mr. St. Laurent:** I was discussing it with one of my colleagues yesterday.

Item agreed to.

*159.* To authorize and provide for the reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to a maximum per annum for each as follows: (*a*) where the population of the province at the last decennial census did not exceed 500,000, $5,000; (*b*) where the population of the province at the last decennial census exceeded 500,000, $5,000 plus $1,000 per each 100,000 or fraction of 100,000 of population over 500,000, but not exceeding $12,000 in any case, $86,000.

**Mr. Fulton:** Just a moment, Mr. Chairman, until I find the place.

**Mr. Knowles:** On division.

**The Chairman:** Carried on division?

Item agreed to.

At one o'clock the committee took recess.

The committee resumed at 2.30 p.m.

LEGISLATION

**The Deputy Chairman:** Hon. members will find these estimates starting at page 31 and the details commencing at page 247.

202. General administration—estimates of the Clerk, $1,250,777.

**Mr. Green:** Mr. Chairman, this is the item covering the general administration—estimates of the Clerk, and I would like to know what the situation is now with regard to the terms of employment of the protective staff of the House of Commons. We have here I think the finest corps—

**The Deputy Chairman:** Order. I hesitate to interrupt the hon. member but I might inform him that that subject comes under the estimates of the Sergeant-at-Arms.

**Mr. Knowles:** Mr. Chairman, I would like to say just a brief word under this item. First of all, I wonder if I could have the privilege of welcoming back to the floor of the house for a few moments our esteemed first commoner. Along with that welcome I should like to express once again my words of appreciation and commendation both to His Honour, Mr. Speaker, and to his deputy minister—I believe that is the status that is occupied by the Clerk of this house—for the excellent way in which they are administering the affairs of the House of Commons in so far as they come under their direction.

The one question I would like to put to Mr. Speaker relates to the pension situation in so far as the employees of the House of Commons are concerned. I know His Honour will recall that some years ago some of us had quite a bit to say about the desirability of having a pension plan for House of Commons employees, particularly those not otherwise covered. In the main the need for a special plan such as that which we used to advocate has been obviated by the change from the Civil Service Superannuation Act to the Public Service Superannuation Act. As I understand it the main difference between the two is that the act we now have goes beyond civil servants and includes all those employed in the public service providing they meet the conditions laid down in the Public Service Superannuation Act.

I have in my hand a very interesting little booklet prepared by the public service superannuation branch of the Department of Finance at Ottawa entitled "Your Superannuation Plan", on page 7 of which I read these words:

> With a few exceptions, this act provides that every full time employee in the public service, male or female, married or single, with an annual rate of salary of $900 or more, will start to build up his superannuation credits after no more than a year of substantially continuous employment.

I realize that under that provision any employee of the House of Commons who is here the year round, whether that employee is on a permanent or classified basis or not, is covered by the new Public Service Superannuation Act providing his or her salary is $900 or more per annum. But what about our sessional employees? I am thinking of all the people who work here for as much of the year as we require them and who may earn more than $900 for that portion of the year and come back from year to year. Are they covered? If not, is consideration being given to finding some way in which they can be covered?

**Mr. Speaker:** The sessional employees are not covered but it is our understanding that some consideration is being given to the establishment of some scheme or pension plan which would apply to sessional employees in the public service. As the hon. member knows, we have several employees who are hired on a sessional basis and cannot be employed otherwise because of the nature of the business which the House of Commons carries on. The house is in session only for so many months each year and therefore once the session is over we have to sever our connections with many of these employees.

Our difficulty at the moment is that once they have been in our service for 25 sessions, or 10, 15, or 20 years, we feel there should be some way of retiring them with certain compensation. As it is now, they are retired with, I believe, one month's leave together with one month's pay for every five years they have been in the service. I must point out in that connection that up until recently the system was that employees who had been working on a sessional basis or who had been working here all the year round and who were not under the Civil Service Act were upon retirement receiving only $100 together with $10 for every year of service. Take now, for example, a man who had been working here for 10 years. When he retired all he received was $100 and $10 for every year, which would mean $200 for his 10 years' service, and that would have been the end of the matter.

This situation was carefully considered and it was felt that pending any other arrangements the employees who had to be retired should be given the same benefits as those which they could enjoy if placed under the civil service commission, namely one month's retirement leave plus one month's pay for every five years' service. In other words,

an employee who had been working here 10 years would receive three months' full pay. That puts them in a position which is perhaps six or seven times better than the position in which they were a few months ago.

**Mr. Knowles:** Mr. Chairman, I am glad that an improvement has been made along the lines that have been indicated with respect to employees who retire, and I welcome even more Mr. Speaker's assurance that the matter of some pension arrangement for employees in this group is under consideration. From the very good attention which the Speaker and the Clerk give to all these matters that come under their jurisdiction I know that, if they are pursuing it, it will be pursued with diligence. They certainly have my backing and, I believe, that of hon. members generally.

I just want to say this further word. I want to express the hope that as little time as possible will be lost in bringing this matter to a conclusion, for this reason amongst others. So often it happens that after a time employees who have been in a service for a certain number of years are accorded certain pension rights and with those rights is accorded the privilege of going back and covering past service. When that time comes, frequently the amount of money involved in covering past service can be quite a huge sum and it can become quite a problem for some of these people to know whether or not to try to cover that past service. For that reason I hope there will be as little delay as possible in dealing with the matter of some definite pension arrangement for all our House of Commons employees who come back year after year even although they may be on a sessional basis. I am sure I can speak for hon. members generally when I say to the Speaker and to the Clerk that, in their pursuit of this matter, they have our support.

**Mr. Churchill:** I should like to say a word in support of what the hon. member for Winnipeg North Centre has said, and to commend Mr. Speaker for the action that has already been taken. He is well aware of the fact that there are in the House of Commons members who have already interested themselves in this problem and who are prepared to support any move that may be made along that line. The sessional employees have given and are giving faithful service. Through perhaps an oversight in the years gone by, the question of superannuation for them has not been considered. It is a welcome move now. We hope that the Speaker will be encouraged by the support he is getting from members of the committee and that he will press on with this particular needed reform.

**Mr. Herridge:** I just want to say that I heartily support the remarks made by the hon. member for Winnipeg North Centre. I had intended to make similar comments in two or three minutes but he has taken the wind out of my sails. I shall therefore get on his boat.

**Mr. Hansell:** There is one point I should like to bring out. It has reference to the comparative amounts spent for help required by the office of the Leader of the Opposition and by the leaders of other groups. In the details given with regard to the office of the Leader of the Opposition I notice that there are seven on that particular staff, which is composed of a private secretary, a secretary, a clerk and four stenographers. Mr. Chairman, I would not want that number of helpers on that staff to be reduced. In fact, if the Leader of the Opposition finds that he needs even more help, I would be quite willing to say that he should have it. However, there is this point to be considered. We know that the Leader of the Opposition occupies a rather special place on the opposition benches in the House of Commons. He is recognized as the leader of the official opposition. Nevertheless, the opposition or the work of his party has no reason, particularly, to be any more effective than that of the other smaller groups. The point I want to put over to you, Mr. Chairman, is that, when it comes to the matter of performing a vital function as leaders of opposition groups, the other leaders have just as much work to do as has the Leader of the Opposition. Yet the leaders of the other groups have to be satisfied with one or two on their staff.

I am therefore putting up this plea. It seems to me that more help should be given to the leaders of the other parties in respect of secretarial help, research and that sort of thing. I know that the leader of this party is exceptionally busy. Frankly, I do not know how he is able to get through all his work and do the job he is really doing here in the House of Commons. As I say, I have no idea whatsoever of intimating that seven on the staff in the office of the Leader of the Opposition are too many. I would not say so. However, I say that the help and the staff given to the leaders of the other groups should be increased.

Item agreed to.

*203.* Estimates of the Sergeant-at-Arms, $726,540.

**Mr. Green:** May we have an explanation of the conditions of service of the protective

force of the House of Commons? I have in mind particularly whether they are on a five-day week, the number of hours they work each day, and also what provisions are made for their holidays. I believe that the conditions are not nearly as favourable as they are in the civil service generally and in industry. I would ask His Honour to outline just what these conditions are and what prospects there are for improvement.

From my observations—and I think every hon. member of the committee will agree—this protective force of ours is doing a splendid job. I do not believe there is a finer force in the country. They not only have to keep order around the building but, in addition, they come in contact with hundreds of thousands of tourists every year. I do not know what is the number of tourists who go through this House of Commons in the course of a year, but I believe it runs into several hundred thousand. It is not always an easy job to handle, in a friendly and kindly way, these groups going through the building. Yet I have never known any other type of contact throughout the years I have been here. I think it is really wonderful the way these men handle the people who are in and out of the building. They of all people should have up-to-date working conditions. Perhaps His Honour could explain to us just what the conditions are at the present time?

**Mr. Speaker:** I agree with everything the hon. member has said with regard to the loyalty and the effectiveness of the services rendered by the members of the protective staff. The problem presented to them during a few months of the year is the additional work due to the number of welcomed tourists who come to Ottawa. This was a matter of concern to the Clerk and to myself, and we have examined the situation. Of course, in years gone by we did not have as many tourists visiting us as we now have. There are members of the protective staff who, for one reason or another, do not act as guides. There are several of them who have to perform these additional duties, and who have to take around the building these groups of students and visitors and explain to them what is to be seen around the buildings. That caused them to work during the summer months on a more active basis than those who were only doing ordinary shift work. Having that in mind, we wanted to give some adequate remuneration in order to cover this additional work. That was a very difficult problem to settle because we did not want to put one constable in a position that would be unfair compared with the position of another. It was decided that many of the corporals who do this work of guiding tourists around the building would be promoted to the rank of sergeant and would receive the additional amount of pay that that would necessarily involve. I think this went through the house recently after recommendation by the civil service commission, and if they are not now in receipt of the additional money which this promotion commands they should be receiving it very shortly.

There was another feature involved in the general promotion of corporals to the rank of sergeant. Arrangements had to be made to make sure that there would be a sergeant in charge of every shift throughout the week in order to bring about a fair distribution of the number of hours they have to work in a week. This building has to be protected every day of the week, including holidays. As far as the holidays of these men are concerned, I am not quite sure as to the exact position. The Clerk has given me certain information but I am not quite sure that I recall every detail. Perhaps I might give the correct explanation to the hon. member privately if that is agreeable to him.

However, I am certain of one thing. From conversations I have had with the chief of the protective staff and with the Sergeant-at-Arms, under whose jurisdiction the protective staffs happens to fall, I can say that there are no complaints whatsoever as to the conditions under which these men work at the moment, either with respect to hours of work or the holiday period.

**Mr. Green:** If I were His Honour I would not be too sure of that. I think he should make a thorough investigation to find out what the conditions are. For example, do these men get their holidays all at one time or are they given a certain length of time at one period and then further time later? I understand there is some such arrangement, and I do not see why they should not be given a proper holiday all at one time in the same way as other civil servants. I should also like to know whether or not they are on a five-day week and how long they work each day. The house has been sitting much longer than usual this session and probably will in future sessions. The time has come to review the whole situation. It may be that a larger staff is necessary. Can His Honour tell us something further about holidays, the length of the work week and the number of hours worked in a day?

**Mr. Speaker:** I agree with the hon. member that something will have to be done by way of establishing better conditions with respect to the number of hours these gentlemen have to work, but that is under consideration at the moment. The first move in this respect

was taken by eliminating the rank of corporal and promoting the corporals to the status of sergeants, thus giving the chief of the protective staff more officers to take care of the direction of the men throughout the week.

One must keep in mind that the tourist season extends from the first of May until the first of November, and it is very difficult to arrange for the men of the protective staff to take their holidays during the summer months when most of them are employed guiding the thousands and thousands of tourists who visit the capital during those months. They are entitled to one month's holiday. With respect to holidays during the year to which they are entitled and which they are not able to take, their annual holiday is lengthened by the number of days on which they were called upon to work when they really should not have been on the job. I am talking about statutory holidays and the like.

As to the number of hours worked in a week, there are three shifts of eight hours each. However, as I said, we are looking into that situation. After all, it is not very long ago that the five-day 40-hour week was established and certain readjustment is necessary. But the difficulty is increased in the case of the protective staff because of the fact that while certain members of the force who have been here for many years do very well the ordinary work of the protective staff they do not work as guides during the tourist season. That creates difficulties in the establishment of an over-all uniform system for all the men because while they are all qualified as protective staff employees they may not all be particularly qualified for the position of guide which is an important duty that many of them have to perform in addition to their ordinary duties as members of the protective staff.

I can assure the hon. member that the point he has raised is receiving careful consideration at the moment, and we hope to be in a position to put these men on a basis which will give them full satisfaction and will be fair to all of them. So far as conditions of employment and personnel are concerned, from the contacts and conversations I have had with the gentleman referred to by the hon. member for Winnipeg North Centre as my deputy minister, I can say that no one is more human in his approach to these various employment problems, and I am satisfied that, having studied the matter as he has in the last few months, he will soon come forward with a recommendation that will be acceptable to hon. members.

**Mr. Green:** Apparently the force is not yet on the 40-hour week?

**Mr. Speaker:** Not quite, but they will be. We are gradually working toward that under the new system, and the first step was taken by abolishing the position of corporal in order to create more sergeants. We are on our way to establishing something which will amount to the 40-hour week.

**Mr. Herridge:** I shall only detain the committee for a minute or two because I presume that the Minister of Citizenship and Immigration is expecting a lengthy debate on his estimates. I want to support the remarks made by the hon. member for Vancouver-Quadra and to express my personal appreciation of the efficiency and courtesy of the protective staff, the messenger staff, the elevator staff and the other staffs of the House of Commons. They work under somewhat unusual and trying conditions at times involving on occasion long hours, and I think all members appreciate the work they do.

I also want to express my appreciation to Mr. Speaker and his deputy for their readiness to give sympathetic consideration to any staff problem that is brought to their attention. Their sense of justice and their willingness to remedy anything that appears to be wrong is in our best traditions.

**Mr. Hosking:** Before the item carries, I should like to bring something to the attention of the Speaker. I am not sure it has to do with his estimates, but I am sure he will bring it to the attention of the proper person. I have never seen any member of the cabinet or the Speaker visiting the peace tower, but I suggest that there are thousands and thousands of visitors who do. It would be most helpful, and a service the parliament buildings should provide, if around the peace tower, on all four sides, bronze plaques were laid on top of the ramparts so that a person could look at the plaque and easily ascertain the important historical sites and buildings around the city of Ottawa. This sort of thing is done in many monuments, and if you happen to have visited Washington monument in the District of Columbia, you will find they have very beautiful ones there, which are very helpful.

I am sure that if the members of the government had heard many of the remarks of visitors in the peace tower, they would have realized that some type of map laid on top of the ramparts of the peace tower would be of great advantage.

**Mr. Speaker:** I am sure the words of the hon. member will reach the Department of Public Works and most careful consideration will be given to his thought.

**Mr. Hansell:** I do not like to rise to bring up trivial matters, especially at this late hour,

but I should like to draw the attention of hon. members to one particular point. I am wondering whether or not there is close enough liaison between those who are responsible for what takes place on the lawns outside in front of the parliament buildings and the protective staff here. Very often there are festivities taking place out there, usually on a Sunday afternoon, and when you make inquiries no one seems to know what is going on. I have had that experience two or three times. Sometimes there are activities there that are very enjoyable and inspiring. I recall that two or three Sundays ago there was a parade of cadets, and it was inspiring indeed. I have yet to get any information concerning what was going on; nobody seems to know very much about it.

There is just one other matter, and that is the old problem of parking space. I know that we do not want to have the grounds marred in any way, and I would not like to see a lot of cars lined up in front of the buildings, blocking the view. I know that is a problem that the Sergeant-at-Arms has had to wrestle with, and I am going to make this suggestion. I do not suppose it is new to him. I am wondering what purpose the lawn on the west side of the west block serves. I doubt very much whether anyone goes out there very often. Could that not be paved and turned into a parking lot? I do not think it would spoil the appearance of the building at all. It is too far removed and is up on top of a hill. Very few people pass that way, and I think the area would accommodate quite a number of cars. I make these two suggestions, and it is not necessary for Mr. Speaker to reply to them. Perhaps he could take them under advisement.

Item agreed to.

DEPARTMENT OF FINANCE

*104.* Departmental administration, $1,843,627.

**Mr. Macdonnell:** Is the minister going to make any remarks?

**Mr. Abbott:** No, Mr. Chairman; I usually make my remarks in the course of the budget speech and on a variety of other occasions during the year. I am ready to answer questions, but I have never felt any useful purpose was served by my making any extended statement on my estimates.

**Mr. Macdonnell:** The minister was very generous in not adding that he could not see there was any useful purpose in anyone else making any extended remarks.

**Mr. Abbott:** No, I welcome that.

[Mr. Hansell.]

**Mr. Macdonnell:** The minister is much too polite to say anything like that. However, I hope I can show my appreciation and the reputation I hope I have earned for brevity by not taking more than a few minutes. The actual finance estimates in themselves invite very little comment, because, of the $936 million which is to be voted, only $34 million is really to be voted and the rest is provided by statute. A great deal of the money to be provided is for interest on government debts, grants to provinces, and so on. There are indeed only one or two items to which I want to refer particularly.

One to which I want to refer particularly was mentioned by the Auditor General in his report, at page 33, and it has to do with advances to the old age security fund. Hon. members will recall that the fund is operated under a special act. There are three taxes earmarked for it, and for reasons which seemed inadequate to many people in this house it has been dealt with separately and has involved a special accounting problem of its own to which the Auditor General refers. There has been a deficiency, and it has had to be dealt with. The minister referred to it himself at pages 3729 and 3730 of *Hansard* for April 6, 1954. I wish to refer to it very briefly.

In the year 1952-53 there was a deficiency of some $99 million, which was taken care of by an advance from the consolidated revenue fund. The minister, having carried that as an asset, and that is the reason really underlying the Auditor General's comment, has now written it off out of reserves which have been built up since 1940 or 1941 and which now amount to something like $500 million or $600 million. This reserve is a genuine reserve because it has been taken year by year out of the annual receipts. The only reason I am referring to this, and I presume the only reason the Auditor General raised it, is perhaps to remind us again of the curious complicated situation which has arisen by reason of this special compartment in which we have kept the old age security fund. Perhaps the minister will later say a word as to whether he thinks that fund is coming to be anywhere near self-sustaining.

I am going to say very little about expenditures. A great deal has been said about them. Expenditures get to be like the weather, I am afraid. We talk about them, but do little or nothing. Gradually and unconsciously, and perhaps foolishly, we have slipped into a position where we apparently feel that we can afford to spend nearly $5 billion, without saying very much about

it. It seems almost the other day the minister was telling us, just before the Korea episode, that he did not believe we could expect to spend much less than we were spending that year, which was $2,400 million; in other words, about half of what we are spending now. The minister said to us then that we could not spend less than that if we wanted to get the things that we were getting at the time. It was hard to argue against that—that if we wanted those things, then we had to pay for them. Our economy is operating now at a substantially higher level, of course, and those who are good at figures will no doubt tell us that we can stand a lot more than we could stand then. Actually, we are standing it, and, in a way, we are becoming rather complacent about it.

I have quoted before, and I shall quote again, what the Minister of Trade and Commerce said last February about the budget. He said it was decided that this would be a year to loosen the purse strings and step up our public works program. It is hard to expect, when the Minister of Trade and Commerce, presumably with the approval of his colleagues, makes a remark of that kind, that economy is going to be in the air. And it is not going to be in the air until people become economy minded.

At the present time it seems impossible to interest them in doing very much along that line. Nevertheless I wish to register a question about this complacent attitude. Sometimes we are not as rich as we think we are. Sometimes people who have been riding along easily and making heavy expenditures find that they would have been wiser not to do so. Indeed, there are signs now that we are coming to the proof of the pudding. We have been prospering largely by reason of huge expenditures. Certainly we have a huge productive capacity. As I go around the outskirts of the city in which I live, and see the enormous expansion taking place, sometimes I become almost alarmed —although I entirely deny the title of pessimist.

I ask myself this question: Are we sure we are going to be able to sell all these goods? I remind myself, and I also remind the committee, that one of the reasons which enter largely into our prosperity at the moment is that the government is spending a lot of money. In other words we, the taxpayers, are providing a lot of money—billions of dollars of it—which go into expenditures, and which produce the same kind of wages as any other investment. We roll along, and this money accumulates, and everything seems just grand.

But while we are doing that, and while the minister very appropriately points out the large amounts of public expenditure going into the gross national product, I point out that one aspect of these expenditures is that they are entering into our costs and increasing our costs, and if we are reaching the stage of really stiff competition, as many people believe we are, it is going to be a very important question to face.

Meanwhile I am not going to say any more about the problem of economy. We are not going to grapple with economy until there is a feeling for it abroad. That is the essence of democracy. You will hardly get a government to go very much ahead of public opinion. If the government can spend money, as they have been spending it, and go back and get elected, they just say, "So what!" They say, "Why should we not go on? The people like expenditures." And I think a good many people do. Economy comes only when we reach the stage of saying, "Can we do without it?" So long as we keep on saying, "It is very pleasant and convenient to have it"—which we have been saying—we will not get anywhere in curbing expenditures.

I know the minister feels that he is actually a kind of ogre to the other departments, that he treats them very rough, and that if it were not for him expenditures would be twice as great. And that may all be true. But I am reiterating what I have said before, that we will never get anywhere in economies until people are told, "That is what is to be spent, and no more".

As I said a moment ago, the estimates of the Department of Finance, so far as their details are concerned, do not invite much by way of comment. But the finance department has a significance which goes far beyond these actual items that we are voting this afternoon.

The tentacles of the finance department reach everywhere. Nobody can escape the long arm of the tax collector. The minister fully recognizes that in his budget speech. In fact the budget speech is really what is known in the United States as a speech on the state of the nation. That is one of the things which give the budget speech the importance that it has. In other words, we all recognize—and I am sure the minister recognizes it first of all—that tax measures cannot be considered in a vacuum.

The minister's speech covered as I said the whole state of the nation. We may think that it is always optimistic. This year I think the minister's glasses were a little bit rose-coloured and the speech had the aspects of a lullaby. But people like lullabies.

I am accused of being a pessimist, but I deny that. To those who would accuse me I would reply that I think the ministers seem to me to indulge in orgies of optimism, whereas I am only a moderate drinker. And we reach somewhat different results.

We have grown somewhat accustomed to living in a boom in Canada. It has become embodied in our thinking. And now, if we have reached a stage where there is even a levelling off, it will give us quite a shock. In other words we have to run fast to keep where we are. If there is even a flattening out it will seem like being on the skids.

The minister reviewed 1953, and declared the gross national product as satisfactory. Of course 1953 constituted a record. I should like to read very briefly one or two of the statements the minister made in commenting on 1954. As reported at page 3727 he said:

> It is clear that industry as a whole has such confidence in the future of the economy that it intends to undertake greater capital investment than ever before.

I think that is correct. Then he goes on to say:

> The expenditures of the federal government on goods and services, as well as those of provincial and municipal governments, will increase moderately this year.

And finally, on the same page:

> My general conclusion is that our national product in 1954 will be at least equal to 1953, and probably higher; in other words I think that an upswing in the second half of the year will more than compensate for the declines that are evident in certain branches of industry at present.

Now, as I say, we should remember that 1953 was a record year; and we should not be entirely disappointed if 1954 does not quite keep up. I think there are a great many signs that 1954 is not going to keep up to the 1953 level, and that we should prepare ourselves accordingly.

I want to add to what I said about the effect of government expenditures on cost. Because if we are getting into a more and more competitive field, then I think we have to remind ourselves of the portion of our selling cost which comes from taxes. I am thinking of the condition at home and abroad, but particularly abroad. Of course, at home both the sales tax and the income tax affect prices. Abroad the sales tax does not affect prices of our exports.

But, to return to the income tax, let me point out that a very considerable portion of the income tax on corporations, which yielded last year some $1,200 million, is and must be reflected in costs. The personal income tax, to the extent that it results in increased wages, is also reflected in costs.



I think we have to face the fact—and a very unpleasant fact it is—that the expectation we all had that when income tax would be spread out widely, that would make people economy minded, has not proved to be so. The income tax has in fact come to be regarded as just another deduction from pay envelopes. I think it is no exaggeration to say there is a feeling that there is almost a right, at any rate, a very strong argument, to get an increase in pay to compensate for any increase in the income tax. That is a matter which again will be significant if we are entering into a situation where we are going to face a real test of earning on these many billions of dollars of expenditures in a competitive market. The question of taxation will strike us from an angle that we have perhaps been rather insensitive to in these last years.

In his budget speech the minister did not neglect this. He told us of the difficulties that were arising. He mentioned tariff applications. I want to read two paragraphs from a recent letter of the minister. The letter is dated May 12 and is addressed to the tariff board. In this letter he directs them to conduct an inquiry into wool. The letter reads in part as follows:

> I have received numerous representations from the woollen industry in Canada to the effect that, as a result of price changes, the 50-cent maximum duty prescribed under the British preferential rate of tariff item 554b has become anomalous and unrealistic, and that, as a consequence, the industry has suffered, and is suffering, serious injury; indeed, it has been claimed that the continued existence of the industry is in jeopardy.
>
> Undoubtedly the Canadian government will wish to give special consideration to this tariff item, and particularly to the specific maximum thereunder, in the coming GATT renegotiations, and therefore will wish to have readily available all relevant information concerning the Canadian woollen industry and concerning as well the implications for the Canadian economy of imports of wool fabrics from the United Kingdom.

I am quite satisfied the minister wrote that letter with great unwillingness.

**Mr. Abbott:** No, on the contrary; I was very anxious to write it.

**Mr. Macdonnell:** Let me explain myself. I am quite satisfied the minister regretted the situation which had arisen to cause the writing of the letter. Let me put it that way. I perhaps should warn the minister that he will be regarded with dark suspicion by the Winnipeg *Free Press* for even indulging in this inquiry, but I have no doubt he will be able to satisfy them that anything—

**Mr. Abbott:** The minister believes in getting the facts, as my hon. friend knows.

**Mr. Macdonnell:** I am telling the minister that it may be of use to suggest that anything that he does that the *Free Press* does not like has been suggested to him by the naughty Tories. They will accept that explanation very readily indeed.

The minister—and this is the last reference I want to make to his prediction in the speeches—refers to the United States and to the upswing which he hopes and expects is going to come there in the last six months of the year. It seems to me that what can be fairly said of the present business situation is this. No serious person doubts the continued forward movement of Canada over the years. Nothing can prevent the development of our great resources, and the prosperity which that will bring, but nevertheless there may be minor hollows and rises in the general course. I think it is perfectly clear that since last autumn business activity has had a gentle tapering off; however I do not think anyone has the right to say there is any sign of a sharp drop. But we are at the moment in a way on the defensive, and the dynamic factors which have sped us along with almost breathless speed are, for the moment, definitely weaker. One of the questions that arise in men's minds is whether in this period of boom expansion we have built and expanded almost regardless of cost. I heard only yesterday of factories built where the costs had been vastly in excess of the estimate. That is not a new story, of course, but the person who told me this—and he was a shrewd observer—said, I sometimes wonder whether we have really had enough regard to costs. I heard the other day of one factory making the expenditure of a good many millions which is approaching completion where they were evidently perturbed. They are within a couple of months of production, but they have no business at the moment. That is one of those things that may cure itself.

It has become fashionable in certain quarters to suggest that anyone who is not going through the motions of a cheer-leader is dragging down the economy. My feeling is—and I hope we shall get something today—we are entitled to get from the government their serious assessment of the situation as it is today. It is almost three months since the minister spoke to us. He gave us his serious assessment then. We are going off now for months, and I hope he will bring us up to date today. What we want from the government is realism. We want to be treated as adults, and allowed to see the situation as it appears to the government, because sermons and admonitions are not enough. There are various classes and groups of people at the present time who are not finding it too easy and who are facing a competition such as they have not faced for some time, and of course the more competitive the situation the more serious the condition.

In a recent article of the *Wall Street Journal* there was a letter from the staff reporter which causes one a good deal of thought. This reporter had been here. He was reporting on the large import into Canada of United States goods, and said this:

> Moreover, the larger-scale mass production techniques of many American producers permit them to offer many of their goods at prices well below those of Canadian manufacturers whose operations are geared to smaller and therefore higher-cost output.

Then he gives this illustration, which troubles one because it brings up very vividly the position of a Canadian manufacturer. He says this:

> And look at what Empire Brass Manufacturing Company Limited has been doing. This firm, one of Canada's biggest plumbing fixture makers, in recent weeks has actually imported some United States made faucets and similar hardware and supplied them to its customers in place of its own Empire brand items. Meanwhile 800 workers at Empire's own London, Ontario, factory have been reduced to a four-day work week.

That, Mr. Chairman, just brings back to our minds the fact that for fifteen years we have been in a seller's market. Now, apparently we are in a buyer's market. The implications and results of that are definite, and could become very serious.

As to exports abroad, I am going to say nothing. We have had the classic question of wheat debated here, and I am not going to do more that remind people that it is a kind of symbol of what other exporters are going to find as well. I have referred to the optimism of the ministers. That is good; nobody wants anything else, but I want to mention in passing that some groups in Canada may be disposed to query this optimism. I refer to the textile people, and I need not do more than mention the letter which the minister has written. Then there are the electrical appliance people. I have already referred to Empire Brass. Farm income is down from $2,154 million after expansion and depreciation in 1951 to $1,900 million in 1952 and $1,656 million in 1953. These are the latest figures I could get. Business failures are troublesome. In the first quarter of 1954 they jumped to 680 compared with 382 last year, and liabilities jumped to $17,660,000 as against $7,151,000. These are serious things.

I come to the question of the maritimes, and I want to mention only what was said yesterday about the failure to decentralize. I

think that is a place where we can legitimately complain against the government because I think there have been neglected opportunities with regard to the position of the maritimes. When we consider the amounts we spent, first of all during the war, and even more important perhaps, since the war, I can see no reason why more could not have been done. I have in mind the answers given by the Minister of Trade and Commerce. If we had a real sense of solidarity here and a feeling that our country cannot be prosperous if a substantial section is unprosperous, then I think a more co-operative attitude might have been taken with regard to the maritimes. There is trouble in the retail trade and I shall do nothing more than refer to a speech made by Mr. Burton of Simpsons-Sears the other day in which he, himself a huge retailer, referred, with sympathy and understanding and I am sure sincerity, to the position of the smaller retailers and, incidentally, remarked on the injuries which they were suffering by that ill-omened piece of legislation, the Resale Price Maintenance Act of two years ago.

Now, we come to the United States tariff attitude and I quote from a statement made in Montreal the other day by the Minister of Trade and Commerce as reported in the Montreal *Gazette* for June 17:

> There is an obvious surge in the world today towards freer trade, Right Hon. C. D. Howe, Minister of Trade and Commerce, said here last night. And he told 150 commonwealth business leaders that their countries had made "great progress in getting rid of import controls which were rendered necessary by the post-war emergency."

If one considers the over-all situation it seems to me the minister had the wrong word because we cannot talk about this situation without including the United States; and to say there is any "surge" in the United States today towards freer trade is just a misuse of words. I am afraid that if we were accurate we would say that the tide is ebbing and not flowing. At the present time there is an anxiously awaited report from the federal tariff commission, I think it is called, in which it is greatly feared that zinc, lead, and fillets may be affected, which, added to the other things already affected, would certainly not be a good thing for our exporters.

Again, Mr. Chairman, one cannot ask the government for unreasonable things, but one can, I think, ask them for direct answers to direct questions, and I suggest we are not getting them. The situation reminds me a little of the exercises in our French textbooks at school, which I have mentioned before in this house which were in the form of question and answer and often the answer had nothing to do with the question. For example, the question would be, "Have you the pen of the teacher?" and the answer would be, "No, but I have the knife of the butcher." In the same way, when we ask the Minister of Finance questions, imagine for example when a manufacturer comes to him and asks him if he can do anything to help him cut down costs, or do anything about taxes, the minister would reply, "No, but you remember me speaking about sharpening pencils, curtailing the cost of management, and making labour more efficient." In addition, if I may paraphrase the answer which the Minister of Trade and Commerce has given to those who asked, have you sold the 1953 crop, his answer might be, "No, but we had 32·5 per cent of the world wheat trade during 1951-52."



Now, Mr. Chairman, no doubt you and the minister will be glad to know that I am almost finished, and again I might urge that what we are asking of the government is quite reasonable and that I hope the minister will make a statement today. We want the problem stated. Of course, our future is bright in the main but there are special problems at the moment and I would like to hear the government's assessment of these problems. I think we are entitled to ask the government to give us a much better performance than has been the case in the maritimes. I think their efforts at decentralization have been weak and ineffective in the extreme. If in past history there had not been much broader and more courageous views than those adopted by the government at this moment, we would not be where we are today.

Another thing I want to mention is the purchases from Britain, mentioned yesterday by the hon. member for Eglinton, and I want to reiterate what he said then about the remark of Mr. Duncan of the Massey-Harris Company, who advanced the view that by switching seven per cent of the United States purchases to the United Kingdom we could balance our trade with the United Kingdom. That, of course, brings in the whole question of defence purchases from the United Kingdom which seem to me to be far below what they might be.

The last point I wish to make is on the possibility of a commonwealth conference which has already been mentioned here today; and I wish to remind you again, Mr. Chairman, of what I quoted a few moments ago from the Minister of Trade and Commerce in which he spoke about what had been done by the United Kingdom. One would hope, not for a policy of restrictionism but a policy of liberalizing trade if and when such a conference is held.

Those, Mr. Chairman, are the comments I wish to make. I feel that we might well hope that the minister will, pursuant to what he did almost three months ago, let us know how the problem looks now from where he sits.

**Mr. Quelch:** Mr. Chairman, I have no intention of inflicting a long speech on the committee at this stage of the proceedings, because after all we have had a number of discussions on monetary policy at the various stages of the Bank Act and the Bank of Canada Act.

However, there are a couple of matters I wish to draw to the attention of the minister, and a couple of problems which were raised on several occasions during the discussion on the Bank Act to indicate that certain happenings have created a situation which poses a rather serious problem.

I think the minister would agree that the grain growers of western Canada today are facing a very difficult situation, in part from the fact that a large amount of grain has not been sold and in part from the fact that there has been a serious drop in prices during the past year to the extent where the price of wheat has fallen by over 30 cents a bushel. That is not going to affect merely the grain growers. That situation is going to have an adverse effect upon the whole of Canada, because we know that when the prices of farm commodities decrease the sale of products of eastern Canada become seriously reduced in the west.

In his budget speech the Minister of Finance stated that government intervention or expenditure is not a cure for the problems of those industries when supply has temporarily outrun demand at home and abroad. The basic solution for those industries must be to produce more efficiently, eliminate waste, reduce costs, and search for new markets. The minister's statement to that effect can be found at page 3727 of *Hansard*.

While I think we will all agree with the soundness of that statement, nevertheless I think the minister should also have added that the situation might require a change in government policy in order to meet that situation, and a change in certain government monetary policies. In so far as agriculture producing more efficiently is concerned, I believe they are producing as efficiently now as any other industry in this country. The Canadian Federation of Agriculture in their brief made, I believe, that statement, and I think their brief supports that contention. Consequently, I doubt very much whether it is possible for agriculture today to reduce their costs any further than they already have. They have eliminated labour costs wherever possible by utilizing the most modern machinery and, from the experience I have had with agriculture, and it covers a period of around 40 years, I believe agriculture is operating very efficiently.

I would agree that somehow or other we will have to reduce agricultural costs in order to feed the world. The Minister of Agriculture, speaking before the FAO conference, stated that the cost of agricultural products in this country was so high that he doubted whether other countries could afford to buy them. If that statement is true, are we just going to sit down and lose our markets, or are we going to do everything in our power to make it possible for our agricultural products to compete with those of other nations in the world?

How could the minister help in that situation? There are two things that I think this government could do that would help agriculture in that matter; not only would it help agriculture but I think it would help all other exporters. First of all, there is the question of the value of the Canadian dollar.

Does the minister believe that it is really an advantage to the people of Canada to maintain the Canadian dollar at a level higher than that of the currency of any other country in the world? If our dollar was back to the level at which it was when it was 90 per cent of the United States dollar, the farmers would be receiving approximately another 20 cents a bushel for their wheat. Of course the same thing would be true with regard to other agricultural products that were exported.

The minister might argue that all other exporters are in the same position, but that is not quite true because the price of agricultural products in Canada is determined by the price at which they are sold abroad. That is not altogether true of secondary industries. They very often maintain two price systems. They sell at one price in Canada and at another price externally. But in Canada the domestic price of farm products is governed entirely by the external price. Therefore when a drop takes place abroad, the price of the commodity in Canada falls at the same time.

I do not think the minister would suggest that that is a matter that is beyond the control of the government. I think the minister would agree that there are many ways in which this government could control the value of the Canadian dollar. Of course I know he will say that if you drop the value of the Canadian dollar, it is going to cost us more for our imports. I think the main thing at the present time is to try to sell

more exports. In order to do that we have got to maintain our goods at competitive prices. At the present time we are having to compete with nations whose currency in every case is depreciated below United States currency. That fact has placed us in a very difficult position. Of course the United States is a competitor of ours. Our currency is even above that of the United States. That is one step that the government can take that I think would greatly help the agricultural exporter.

Then there is another matter which I think deserves consideration. It is one that I have raised many times in the House of Commons since 1945. I think probably my contention will bear more weight today because there are many more people today who realize the truth or the soundness of what we have advocated since 1945, namely that it is the responsibility of an exporting country to accept the currency of importing nations for a proportion of its exports.

The United States have been selling surplus farm products under the United States mutual security act since 1951, and the foreign currency they have accepted has been used for the purpose of financing defence projects. Now, however, they are considering going far beyond that. In the *U.S. News and World Report* I notice a statement showing that there is to be quite a change in the administration's policy with regard to the acceptance of sterling and other foreign currencies. I put this quotation on *Hansard* on June 15, as reported at page 5997. I am therefore not going to quote the whole thing at this time. It is interesting, however, to note that it is a disposal plan for farm surpluses and that it has received the administration's approval. Besides being utilized for financing defence projects it can be used for the following purposes:

> In addition, the president would be authorized to use the foreign money for local improvements in the buying country, to pay U.S. obligations there, to buy military equipment, to help develop new markets for U.S. farm products, or for loans to promote world trade.

In fact, it could be used for almost anything. Now it points out that they expect to be able to have better trade with India because they would accept rupees instead of demanding American dollars. That policy is bound to affect the farmers in this country because we are having to compete with the United States in the sale of our commodities.

If the United States are going to sell their farm products to the other countries of the world and to accept their currencies instead of demanding American dollars whilst we in Canada insist upon their paying us in Canadian dollars, it is quite easy to believe that many of those nations, lacking Canadian or American dollars, will buy from the United States instead of buying from Canada because they will have the wherewithal with which to buy. I hope the minister will be able to tell us whether or not any consideration is being given to that matter.

I suppose the minister might say we are doing it to a modified extent under the Colombo plan and that is true; under the Colombo plan we accept the currency of other nations, and then that currency is invested in projects within the country concerned. But that is only done to a modified degree, to the extent of some $25 million I believe. It therefore has little effect upon our trade as a whole.

The minister may say that we could not afford to do it and he may ask: What would we do with a lot of foreign currency? On the other hand I claim that where we have surplus goods that we cannot sell, we could very well afford to do it because if we do not sell those surplus commodities, what will happen? The producers of those surplus commodities are going to be told, as they are being told from day to day by the financial press, that they cannot expect to sell goods that are not wanted, that they must realize that in the final analysis there is only one law, namely the law of supply and demand. If therefore these producers are going to have to be governed by the law of supply and demand, there is only one thing that they can do and that is to reduce their production or cut their production down to the point where there will be a greater demand for their goods, so that the demand equals the reduced supply. Then the price will go up and the surplus will disappear. But if that is done, we lose those exports entirely.

It would be far better to export those goods at the present time and to accept foreign currencies for them rather than to reduce our production so that there are no surplus goods. I would say that for anyone to suggest that the solution is to cut our production is to take a defeatist attitude. It is taking the attitude that we have got to reduce our production in order to obtain a fair price. I think it would be far better to maintain our production at a high level so long as that production is needed in any part of the world. There is no question today that our production is needed. It is largely a matter of financing. If we are willing to do as the United States apparently are now doing, namely to accept the currency of other nations, I think we would find it much easier to dispose of our surplus commodities.

There is one other point I wish to refer to. A great deal of concern is being felt over the present price of agricultural products. I would point out to the minister that he cannot suggest that the farmers of this country should be prepared to compete with the farmers of other countries, because that is not the situation. The farmers of this country are not having to compete with the farmers of the United States. The farmers of this country are now having to compete with the United States treasury because the United States treasury is underwriting the price of farm products. When the United States cut the price of wheat by 10 cents a bushel it therefore was not the farmers that took that loss because the United States government has underwritten the price of wheat at $2.20 a bushel.

**Mr. Abbott:** I hate to interrupt my hon. friend, Mr. Chairman, but do we have to discuss wheat again on my estimates?

**Mr. Quelch:** I am only discussing wheat to the extent that the price of wheat or the sale of wheat is affected by the policy of the Minister of Finance. The Minister of Finance can greatly affect the sale of wheat or any other commodity either by accepting foreign currency in payment or by changing the value of the Canadian dollar. We raised that matter in the banking and commerce committee. We asked Mr. Graham Towers whether or not he thought it would be advisable to reduce the value of the Canadian dollar. He said that was a matter that he would discuss only within four walls in giving advice to the government. He was not prepared to make a statement outside. The minister, however, represents the government. He is not under that same limitation. I hope he will be in a position either to justify maintaining the Canadian dollar at the present rate or to give us some indication that, in the near future, there will be removed the handicap which the farmers are under as a result of having to sell under an appreciated dollar. Those are the only two points I want to raise at the present time.

**Mr. Abbott:** Mr. Chairman, I feel I should perhaps say a word about what has been said by the two hon. members. I listened with a good deal of interest to what the hon. member for Greenwood had to say. By tradition I suppose it is possible to cover a fairly wide field on the first item of the estimates of any particular department. He certainly covered the waterfront.

**Mr. Macdonnell:** I just tried to imitate the minister in a small way.

**Mr. Abbott:** I do not intend to imitate him in that respect. It is a tradition that once a year the Minister of Finance makes a comprehensive and considered statement of the financial and economic position of the country and ventures into the field of prophecy. In the eight years that I have been Minister of Finance I have only ventured into that hazardous field once a year. I do not intend to break that precedent now. As a matter of fact I think it is undesirable that the minister should attempt from month to month to make new prophecies about the condition of the economy. If something radical happened it perhaps would be wise to try to give some indication, but I shall content myself with saying that nothing that has happened since I delivered my budget speech two or three months ago has caused me to change the qualified forecasts which I made in that speech.

The hon. member referred to the advances to the old age security fund. There again I dealt with that in my budget speech. I indicated that I expected there would be a further deficit in the coming year of somewhere between $40 million and $50 million and that under ordinary circumstances it perhaps would be prudent to increase the contribution in order to take care of that. I did say that it seemed to me this was not a year in which one should increase taxes if that could be avoided, and therefore I postponed making any recommendation.

The hon. member for Acadia has raised two points with which I will deal briefly. I agree with him it is extremely unfortunate that the price of one of our great export commodities, grain, wheat in particular, has fallen to the extent to which it has fallen. That has been dealt with at some length by my colleague, the Minister of Trade and Commerce. It is due, as we appreciate, to a series of big crops not only in this country but in other countries. The hon. member suggested that exports of wheat might be helped by a depreciation of the Canadian dollar. We have a free exchange now. The government does not attempt to influence the level at which the Canadian dollar is quoted in terms of other currencies. That is the position which we have taken since we freed the Canadian dollar in September of 1950.

I am not one of those who believe in the competitive depreciation of currencies. I believe that when a nation depreciates its currency the advantages are very short-run indeed. We had experience with fixed exchange rates and exchange controls over a considerable number of years. That was necessary, I think, under war conditions, but the experience after the war was not too happy. I am sure a good many members of the committee will recall the drastic

import restrictions which we had to put in effect in 1947 when we tried to defend the fixed exchange rate of the Canadian dollar at that time. I would hesitate to invite a repetition of that experience.

Therefore I do not believe that any action which the Canadian government might take to put a fixed exchange value on the Canadian dollar could possibly be successful without pretty drastic exchange controls. I for one would not be prepared to recommend at this time a return to that form of control.

As to taking sterling for our exports of wheat, that is not a new suggestion. Again, that was dealt with by my colleague the Minister of Trade and Commerce, in the course of his remarks. I do not know of any country today in which we can sell substantial quantities of wheat for sterling, and certainly not in the United Kingdom. The United Kingdom is interested in the price of wheat but not in purchasing it for sterling. So far as India is concerned today, they are not buying wheat at all. They have notified the international wheat agreement that they do not want to take their quota. They have had a fine rice crop, a good grain crop, and they do not need wheat and are not going to buy any substantial quantity.

I understand the Poles are short of wheat, and we might take some Polish zlotys, if that is the currency that is prevalent in Poland, but I do not know just what we would do with them. I doubt if that would receive very widespread support. Taking foreign currencies for any commodity, which we do not need for purchases in the area from which we take it, is simply selling that commodity on credit and, as I have said before, assuming not only the credit risk but the exchange risk as well.

My hon. friend referred to United States sales for local currencies. I am told these are on a very limited scale. They have made some sales to Spain and they are going to use the proceeds in Spanish pesetas to pay for air bases in Spain. We are not building any air bases in Spain. I believe there are other modest sales of a similar character, but I am personally convinced that even if we were prepared to extend credit by selling for local currencies it would not substantially increase our sales of wheat. I do not know if there is any other point.

**Mr. Quelch:** May I ask a question? The minister has read statements from time to time by officials of the United Kingdom blaming their reduction of purchases from Canada, especially farm products, on the fact that they have not got the dollars to pay for them. They may be just whistling in the air, but they keep coming over here and making that statement. It has been made by a number of their representatives.

**Mr. Abbott:** They are trying to urge us to buy more in the United Kingdom. They would like to get into our market as a substitute for somebody else, and if they can do it competitively they can get in here. There is nothing to prevent them. They have a preference so far as tariffs are concerned over the United States, but they are not interested in buying wheat or any other commodity on credit today, whether it is in sterling or anything else.

**Mr. Quelch:** Why would the United States be widening the use of foreign currencies if they did not think they were going to gain markets by doing so? According to a statement appearing in the *U.S. News and World Report,* they are going to widen the purposes for which foreign currencies can be used. They are not merely going to use them for investment in defence projects but utilize them for practically anything at all.

**Mr. Abbott:** The information I have does not coincide with the information my hon. friend has read in the *U.S. News and World Report.*

**Mr. Quelch:** It does not coincide with that?

**Mr. Abbott:** No.

**Mr. Michener:** With respect to departmental administration, I notice there is an item for professional and special services which is a recurring item in most of the departmental accounts. Would the minister explain what kind of expenditure is covered by that item, professional and special services? I see the amount is $7,000 for this year, but there are no details in the public accounts.

**Mr. Abbott:** That provides for legal fees and court costs that may have to be paid by the Department of Finance in the coming fiscal year. That will include the expenses of court cases, if any, which have to be settled or disposed of under the old wartime prices and trade board administration and the foreign exchange control administration. We still have a number of those cases which are going through the courts, and that is what the item is intended to cover.

**Mr. Michener:** Mostly professional services.

**Mr. Abbott:** Right.

**Mr. Michener:** In the absence of the hon. member for Hamilton West I should like to draw the minister's attention to the fact that whereas last year there were two office girls and one office boy on his general staff it

appears that this year there will be two office boys. I know that will not be very popular with the hon. member for Hamilton West and is not in line with the practice of the department presided over by the acknowledged feminist, the Secretary of State. I notice he has one office girl whereas he had one office boy last year.

**Mr. Abbott:** I understand the lady has been promoted. We still have her on strength but her remplacante is an office boy.

Item agreed to.

Administration of various acts and costs of special functions—

*107.* The Bank Act—salaries and expenses of the inspector general of banks' office, $35,670.

**Mr. Macdonnell:** I should like to take this occasion of expressing the feeling which those of us who are on the banking and commerce committee had, that we were fortunate in our inspector of banks.

**Mr. Abbott:** I most heartily endorse the sentiment, and I thank my hon. friend for voicing it.

Item agreed to.

*108.* Administration of the Farm Improvement Loans Act, 1944, and the Veterans Business and Professional Loans Act, 1946, $86,465.

**Mr. Quelch:** If the present situation continues in the west and the farmers are not able to sell their grain and thereby have difficulty meeting their payments under the Farm Improvement Loans Act, I hope the government will be very lenient in allowing the banks to extend the period of time over which these loans may be repaid. I understand the banks have to get permission from the government before they can extend the period of time over which these repayments are made.

**Mr. Hansell:** May I ask the minister whether the functions of the farm loan board under the Farm Improvement Loans Act are determined—

**Mr. Abbott:** Those are two different things, of course. Under the Farm Improvement Loans Act, the loans are made to the banks. The farm loan board is a crown corporation which has the function of making mortgage loans on farms.

**Mr. Hansell:** Under what item does that come?

**Mr. Abbott:** There is no vote for the farm loan board because it is an independent crown corporation.

**Mr. Hansell:** The policy of the board is not governed by the government itself?

**Mr. Abbott:** Well, it is governed by the government itself because the members of the board are appointed by the government, but it is a self-sustaining organization just as is Central Mortgage and Housing Corporation. I could try to answer any questions my hon. friend wanted to ask.

**Mr. Hansell:** My question is this. There are some areas in Alberta where the farm loan board will not make loans. Is that decision made by the farm loan board itself or has the government any influence in that respect?

**Mr. Abbott:** Any decision of that kind must be made by the farm loan board. I was not aware that was the case, but that is a decision that would be made by the management of the farm loan board.

Item agreed to.

Expenses of the Royal Canadian Mint and the assay office, Vancouver, B.C.—

*110.* Administration, operation and maintenance, $1,145,465.

**Mr. Michener:** This is always a very interesting operation, namely the operation of the mint. I think I read, Mr. Chairman, that the Canadian government was minting a new nickel coin made of nickel. I wonder if the minister would give us an indication of how much it costs to make a nickel?

**Mr. Abbott:** I doubt if I have got that information. We are changing back to the five-cent coin made of nickel, which was discontinued when that material was in critical short supply. My information is that the changeback will be on January 1, next. As to the breakdown of the cost of making that coin, I doubt if we would have that breakdown. There is a profit. The mint operates at a profit, but I do not think we have the breakdown of cost as between minting subsidiary coins and the minting of 25 cent, 50 cent and one dollar silver pieces.

**Mr. Michener:** I take it there is a running account for it, an account for the silver and the nickel which is accredited with the value of the coinage that is minted and offset by the cost of minting and redeeming it. It would be interesting to know, within an approximate figure, how much it costs to make these new nickel coins.

**Mr. Abbott:** I am sorry, but I have not that detailed information here. I have no doubt it is available. I have some gross figures in the report of the Royal Canadian Mint, and no doubt my friend has seen them, for the calendar year 1953. There are some gross figures and the totals of expenditure which shows an excess of income over expenditure

for the mint as a whole of some $3,800,000. I have not a breakdown as between the individual mint operations.

**Mr. Michener:** I appreciate these coins have to be minted, but if I could just get that figure I should be happy to have it.

**Mr. Abbott:** I shall be happy to try and get it and send it to my friend.

**Mr. Michener:** Would this be the proper place to ask about the amount of gold bullion the government has accumulated and whether during the past year the government has accumulated all the newly mined gold submitted to it by the mines of Canada?

**Mr. Abbott:** I believe that appears in the report of the exchange fund account. I have published those figures monthly, showing the proportion of gold. At the end of May, 1954, the official holdings of gold were $1,027·3 million, and the total gold processed for the mint in the calendar year 1953—I shall have to get that figure.

**Mr. Michener:** Practically all the newly mined gold, I take it, is being retained.

**Mr. Abbott:** I would think so, and perhaps a bit more. There is, of course, a small amount of gold that is sold on the free market, as my hon. friend knows. Then, there is a further amount that is supplied for the use of the arts. I have not a breakdown here as to the actual figure at the end of May.

**Mr. White (Middlesex East):** Is there any gold purchased from any other source than Canadian producers?

**Mr. Abbott:** No.

**Mr. Macdonnell:** To show how right the hon. member for St. Paul's was in saying how interesting the mint was, I might say that I had a school boy visiting me here. It was his duty to go back and report on what he had seen, and I was invited to be present. He gave a most eloquent speech all about the mint and did not even mention the fact that there was such a thing as the House of Commons here.

Inadvertently, Mr. Chairman, I missed the tariff board item. The minister, in his speech three months ago, indicated that applications were mounting and—

**Mr. Abbott:** Are we reverting to 109, Mr. Chairman?

**The Deputy Chairman:** I called item 109 but I think the hon. member might raise his question now.

**Mr. Macdonnell:** Can the minister say anything in addition to what he said in his budget speech as to the indication of tariff-mindedness, let us say, arising. We have seen the minister's letter with regard to wool, and it may be he thinks that with that, and what he said in his budget speech, he has nothing to add. If he took that position, I would not press him, but if he could tell us anything more about it, we would be happy to hear it. We have been in the position for 15 years, really, of having tariffs, you might say almost, let out of our lives, with all their complexity. They seem to be coming back, and if the minister can say anything about it, it might be useful.

**Mr. Abbott:** Perhaps this might be interesting to my hon. friend. Since 1949 the board has made a number of inquiries into customs tariff on subjects which have been referred by the Minister of Finance. At present there are four references before the board, the most recent one being the inquiry into woven woollen goods under tariff item 554B. Since 1949 the board has had 160 appeals lodged with it from decisions of the Department of National Revenue, of which 11 are still pending, and there are 10 I believe that have been appealed to the exchequer court. I believe it will be apparent the board has been pretty active in recent years.

Item agreed to.

*112.* Administration of employees' instalment purchase plan, including sale and delivery of Canada savings bonds to government employees, and of employees' group insurance plans, $133,451.

**Mr. Macdonnell:** This item is concerned with the annual amortization of bond discount, premiums and commissions. I notice there is an increase of $6 million.

**Mr. Abbott:** This is vote 112?

**Mr. Macdonnell:** Yes, it is at the top of page 17.

**Mr. Abbott:** No, that is a statutory item. My friend has the wrong item. Vote 112 concerns administration of employees instalment purchase plan.

Item agreed to.

Contingencies and miscellaneous—

*114.* To provide, subject to the approval of the treasury board, for miscellaneous minor and unforeseen expenses including authority to re-use any sums repaid to this appropriation from other appropriations, and special compensation or other rewards for inventions or practical suggestions for improvements, $1,000,000.

**Mr. Macdonnell:** I should like to ask a question regarding the large increase in the amortization item at the top of page 17.

**Mr. Abbott:** That is a statutory item.

**Mr. Macdonnell:** Yes.

**Mr. Abbott:** That is the annual statutory item for amortization of bond discount, premiums and commissions on new bond issues. The explanation is that bonds totalling $200 million at 2¼ per cent for two years and four months were sold March 1, 1953, at 97·85 per cent less commission, and on November 1, 1953, $700 million was sold, $400 million 2¼ per cent bonds due July 1, 1955, at 98·00 per cent and $300 million 3 per cent bonds due May 1, 1958, at 97·15 per cent.

As these are mainly short-term loans the annual amortization charges for discounts and commissions are high and exceed completed or reduced amortization on matured or maturing issues by some $6 million.

The bonds are issued at a discount. The bond discount and the interest rate reflect the true interest rate.

**Mr. Macdonnell:** Can the minister spell out the actual interest rate involved in the transaction?

**Mr. Abbott:** That was done when the bonds were issued. I cannot say offhand what it was. It is a mathematical calculation.

Item agreed to.

*115.* Cost of telephone service at Ottawa for all departments, $987,400.

**Mr. Michener:** This deals with telephone expense. Would the minister indicate how the telephone expense of the civil service is handled. I note that in each of the departmental estimates there is an item for telephone expense. We have here an item headed, "Cost of telephone service at Ottawa for all departments". That, I take it, is the actual cost to the Bell Telephone Company in this city for telephones in all departments.

**Mr. Abbott:** Yes; the Department of Finance carries the cost of the maintenance of Bell Telephone Company connections throughout the various departments of government in the Ottawa city area. That includes departmental direct lines, local and private, branch exchange equipment, operators' salaries, cost of printing the government telephone directory and so on. The item in the individual votes would relate, I presume, to the long distance calls made by those departments, as well as out-of-town telephones. But this item covers only the Ottawa telephone service. If various departments have, as most of them would, telephones in other areas, those would be included in the departmental vote.

**Mr. Michener:** I note at the end of the item there is a credit for the amount recoverable for salaries and other expenses from other government departments using the Toronto switchboard service. The amount is $84,200. What is the mechanics of that arrangement?

**Mr. Abbott:** I will get that information. It is an inter-office credit, of course, as my hon. friend will appreciate.

**Mr. Michener:** It seems to indicate that the Toronto telephone arrangement is like the Ottawa one.

**Mr. Abbott:** I am informed that we operate a switchboard in Toronto which is paid for in this vote, and we charge it back to other departments.

**Mr. Noseworthy:** Who is responsible for the fact that the departmental telephone directory we receive for use is always a year behind?

**Mr. Abbott:** I am afraid my department must take the responsibility, but I am not sure why the delay occurs.

Item agreed to.

*116.* Amount required to cover losses incurred on foreign exchange tendered in payment of accounts receivable, $5,000.

**Mr. White (Middlesex East):** I should like to inquire about this item for a dollar. It seems to me a few years ago one of these dollar items moved the film board to Montreal.

**Mr. Abbott:** This is not a dollar item. The dollar mentioned there is an appropriation not required; it is a balancing item.

**Mr. Michener:** Under what item would we discuss payroll costs, including superannuation payments? If it has been passed I would ask the minister about the increase in the contribution to the superannuation account. It was $16 million last year and it is $39 million this year, or an increase of about $22 million.

**Mr. Abbott:** It is a statutory item, but I shall give an explanation. We have not yet reached it, but I shall have the information for the hon. member when we do reach it.

**Mr. Knowles:** Item 653 deals with superannuation, and I shall have one or two questions to ask when we reach it. Perhaps this information could be given then.

**Mr. Abbott:** I have the information here. The substantial increase is mainly attributable to the influx of approximately 60,000 so-called temporary employees as contributors to the superannuation account. The remainder is attributable to such things as increased permanencies in 1953, promotions and the like. In classifying those persons as permanent, and making them eligible for

superannuation, the government had to pay into the fund an amount sufficient to cover the government's share.

**Mr. Michener:** Is the superannuation fund maintained for the federal civil service on a sound actuarial basis, or is it a fund that is being built up, and is not yet on a sound basis?

**Mr. Abbott:** As my hon. friend will recall —I am not sure whether he was in the house at the time—I tabled a report made by the Department of Insurance. That was the last actuarial report. It showed at that time a substantial deficit on an actuarial basis. The government is taking steps to correct that situation. We have paid into the fund, I believe, some $175 million toward making up the deficit, and have indicated that a further amount will be paid in as it becomes possible to do so. But in the meantime the full actuarial deficit is carried as a deficit, and the interest is paid each year—credited year by year—on that deficit. So I think it is quite correct to say that the fund is on an actuarially sound basis.

Item agreed to.

General administration—

*652.* Comptroller of the treasury—central office and branch offices administration—further amount required, $167,010.

**Mr. Michener:** I should like to ask a question about the university grants. I realize we have passed it, but I notice it is a little larger than last year. My information is that the total university population has been declining since war-veteran students have graduated.

**Mr. Abbott:** That is all the better for the universities, because the grant is based upon total population, not university population. It is 50 cents per head of population as determined by the bureau of statistics; and the grant is then divided among the eligible universities, based upon university enrolments. So that if there are a smaller number they would get a higher per capita amount.

**Mr. Dinsdale:** If I might refer to the matter of university grants, I believe the national conference of Canadian universities recommended changing the base of payment from 50 cents per head of our population to a basis of $125 per student. The chief reason for this suggested change arises from the fact that the maritime provinces in particular are somewhat discriminated against on the present basis. I wonder if the minister has given consideration to this recommendation.

**Mr. Abbott:** Various suggestions have been made, of course, that the base does operate somewhat unfairly in respect of certain provinces. But on balance the government feels the present arrangement which is based on provincial population and enrolment in universities is as fair as can be worked out at this time.

**Mr. Coldwell:** Unfortunately, I was out of the chamber when item 113 was called. I notice that last week when I was away, incidentally, the minister said, as reported at page 6047 of *Hansard*, in connection with the Municipal Grants Act:

> When that item is called we shall have an opportunity to discuss the matter and I can indicate, in a general way, the nature of the amendments which the government has in mind.

**Mr. Abbott:** We can revert to that for a moment. Perhaps I might say this to my hon. friend. There is something in excess of $3 million which will be paid out to various municipalities which qualify this fiscal year. I suppose it would be inappropriate for me to indicate in detail the provisions of the proposed legislation, but I can say this. It is estimated that it will involve an annual expenditure of something of the order of $6 million in all, and will approximately double the number of municipalities which will be eligible to receive a grant under the act. Other than that I do not suppose I had better say anything at this time. As I indicated in my statement, it would be available for the calendar year 1955.

Item agreed to.

*653.* Superannuation and retirement acts, administration—further amount required, $13,837.

**Mr. Knowles:** I should like to say just a few words on item 653. First of all, I must confess that the last time I addressed a few words to the Minister of Finance on the plight of superannuated civil servants, namely, the great numbers of those already retired, I thought it would be the last time I would be doing so. I thought that by the time today rolled around the Minister of Finance might have left us. I am glad he is still with us.

**Mr. Abbott:** Thank you.

**Mr. Knowles:** Since he is still with us, I hope he will even yet give consideration to this matter. I have no intention of repeating the many arguments—I think strong arguments—which I have given to the minister in years gone by since he first came into the Department of Finance as to why the government, as a model employer, should do something about the pensions of retired civil servants, particularly those in the lower brackets. I agree with his contention that the Public Service Superannuation Act, as

it now stands, is an excellent pension plan; certainly for those who are now in the public service the minister and the government have done well. But in the case of those who retired before the plan was put on its present excellent basis, and in the case of those who retired at such a time that their pension was calculated on the basis of the years when their rates of pay were very low, the situation is certainly nothing of which the government as an employer can be proud. I urge as strongly as I can once again that something should be done to supplement the pensions of those people.

The minister knows what the figures are, and people generally must know because I have put them on the record, and they have been published in the press a good many times. There are far too many of these faithful servants who are on pensions of $20, $30, $40 and $50 a month, which I submit is not good enough for the government of Canada.

One of the arguments the minister has advanced from time to time—I am going to confine myself today to just one argument and one reply to him—is that this pension is on the basis of a contractual relationship. He says that these people paid certain amounts into the fund at the time they were employed, and they knew what the arrangement was. He says that if you alter the amount of the pension now, it would upset that contractual arrangement. I submit, Mr. Chairman, there are other instances which are somewhat similar, where increases have been made.

I have told the minister about other governments and other private bodies until, if he has kept all the material I have given him, he must have quite a file on the matter. I want to give him one more example, one that I happen to know about in a personal way. Perhaps that is the reason I have not referred to it in the past. I happen to belong to a trade union, the International Typographical Union, which has a pension plan of its own, a very good pension plan, good enough at any rate that the Department of National Revenue has approved it.

**Mr. Abbott:** My hon. friend is going to have two pensions, then?

**Mr. Knowles:** As long as the Minister of Finance is around they will both be taxable, and as long as I stay in parliament I will not draw either of them.

In regard to the pension under the International Typographical Union, I would like to point this out. The amount of that pension used to be $10 a week or $520 a year. During the past ten years or twelve years it has been increased, step by step, until at the present time it is $20 a week or $1,040 a year. Does the minister suppose that that union pays the higher rate of pension only to those who have gone on pension since the rate was increased? Not a bit of it! That higher pension of $20 a week, or $1,040 a year, is paid to all of those who are on the pension, including those who went on it when it was only $10 a week, and including those who were contributing to it when the amounts paid into the fund were a great deal smaller than they are at the present time. I have given that example because it is one the details of which I happen to be familiar with. I know there are many other plans like that.

I want to say to the minister quite frankly that I do not think the government has a leg to stand on in insisting that it cannot do something for these people. If the minister wants to do something that will really give him a place in the hall of fame before he lays down the portfolio of finance, I suggest he pay some attention to the plight of these people and make some arrangement to increase the amount of the pensions of those already retired, particularly those in the lower brackets.

**Mr. Abbott:** There is no purpose in my rehashing the points which I have made before. Whatever may be done under the International Typographical Union pension plan—I am sure it is very generous—we are dealing with taxpayers' money here. These things have to be paid for out of taxes levied on all the taxpayers of Canada, and a great many of those who have had to provide for their old age by contractual arrangements or otherwise do not get any automatic increase in their pensions, with this exception, that we have introduced in the last few years the old age pension plan of $40 at age 70. Most of those pensioners to whom my hon. friend refers are very elderly people, people whose small pensions are due to the comparatively short time of their service in the public service. They benefit from the $40 old age pension, payable at age 70. That, incidentally, does not apply to some of the countries to which he has referred where civil servants' pensions were increased.

**Mr. Knowles:** I want to add one word, Mr. Chairman. The minister says that this has to be paid for out of the money of the taxpayers. The plan to which I have referred is paid for out of the money contributed by the members of the union. What happens in that case is that the older members who contributed smaller amounts in years gone by are getting larger pensions now because those who are now working are paying in

larger amounts. I am proud to belong to a union that recognizes that principle, and I should like to see this government, and society as a whole, recognize it, too.

**Mr. Dinsdale:** I would like to say a word on this item. I recall last year there was discussion along this line on one particular problem. It was a rather extended discussion at the time and it related to the peculiar position of the former employees of the department of soldiers' civil re-establishment and the soldier settlement board. I followed the discussion last year with a good deal of interest, as did a good many hon. members in this chamber. Apparently the arguments that were put forward impressed the minister because he promised to give the matter serious consideration. The crux of the problem is that the employees of these two departments were not in a position to become permanent employees because of a policy decision and as a result they did not benefit on the five-year basis for superannuation, which is the right of superannuated civil servants under part II of the superannuation act of 1924. The minister made the statement that if any erroneous decision had been made he would be glad to consider the whole situation and if he became convinced that any substantial injustice in principle had been done he would be glad to give consideration to ways and means of redressing it. I would like to know what the present status of this special group of employees is.

**Mr. Abbott:** Mr. Chairman, I promised last year that I would have a very extensive individual investigation made of these cases. It is not a new question, as I think hon. members realize, and it has come up here several times before. Legal opinion has been obtained on it and it has been refused before. I had a detailed investigation made of this particular case and I have a very long statement here with which I frankly hesitate to weary the committee. In essence I can sum it up by reading the last two paragraphs:

> After giving careful consideration to all arguments that have been advanced, I cannot be persuaded that the Public Service Superannuation Act leaves any substantial injustices in principle unremedied. The basis of the Civil Service Superannuation Act was that to enjoy the benefit of the five-year average salary in calculating the allowance a person had to be a civil servant within the meaning of the act on July 19, 1924. No evidence has been advanced to show that the employees in question were permanent then and any action which might have been taken to provide for them at the time, while considered, was not, in fact, taken. Thus they, along with the thousands of other temporary employees in 1924, have come under the ten year average salary for superannuation purposes.

[Mr. Knowles.]

> While it is true that this is the only case of which I know where a department has been excluded almost as a whole,—

That was the old department of soldiers' civil re-establishment.

> —yet it never was made a permanent department. Even if it were decided that something should be done for those employees whom the department thought should have been made permanent in 1924, how can one be sure how many would, in fact, have been. One brief on behalf of these employees has, in fact, requested that all of them be given the benefit of the five year average which, if granted, would have been altogether unfair to all other temporary employees in 1924.
>
> I have come to the conclusion, therefore, that I cannot recommend to the government that this benefit of the use of the five-year average salary in determining superannuation benefits be conferred on these employees.

If my hon. friend would like to have it I would be happy to send him a rather more extensive memorandum breaking down the number of individual cases, and so on.

**Mr. Dinsdale:** I thank the minister for that statement. There is just one other point. The minister will probably recall that the emphasis during the discussion last year was not on the legal right as defined by the act, but on the moral right. These people would have become permanent civil servants had it been possible for them to do so, and the representations which were made last year emphasized the point that according to the act they were excluded. However, because there was a moral principle involved emphasis was placed on the fact that the department should do something by way of amendment to recognize this special case.

**Mr. Abbott:** Here again, Mr. Chairman, the difficulty was that this was considered in 1924, 1925 and 1926 and during the early thirties, and it was rejected. A great many of the civil servants who might have been entitled to benefit through a change in the rule have, of course, long since died and, as I say, 30 years later I cannot recommend that an exception—and it would be an exception—should be made for this particular group. As I said, it relates only to the average period of service, and the question of superannuation might never have been raised had it not been for the fact that there have been quite substantial increases over the past 10 years.

**Mr. Knowles:** The minister says these people should be considered as being in a position comparable to other temporary employees who have not obtained the benefit of the five-year average provision. What impresses me about this is that representations on behalf of these former D.S.C.R. and S.S.B. employees

have been made by associations of civil servants, and I cannot imagine that an association of civil servants would be making such representations on behalf of a restricted group, if those representations seemed to be unfair to other and larger numbers in that group.

**Mr. Abbott:** The hon. member's imagination is not as great as mine. I not only imagine it but I know it happens every day.

**Mr. Knowles:** Perhaps the minister has a better imagination than I, but it does not seem to me to be logical and I do not think that is the way in which responsible representatives of employee organizations operate. I want to support the representations made by the hon. member for Brandon-Souris that consideration might even yet be given to this matter on its moral basis. These people know they have lost out so far as the law is concerned, and some of them have told me that if it were merely a legal battle they would have gone to the courts rather than come here. They feel a change in the law is necessary and hence their appeal to parliament. I hope that even yet the minister will find it in his heart to give consideration to this matter.

Item agreed to.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites services—

*692.* Construction or acquisition of buildings, works, land and new equipment—further amount required, $98,250.

**Mr. MacLean:** Mr. Chairman, I would like some information on the breakdown of this item, and I would like to know what expenditures are available for Fundy national park.

**Mr. Abbott:** Mr. Chairman, this is a supplementary item of $98,000-odd out of the main vote in this department of $3,600,000-odd which provides for capital expenditure in national parks, national historic sites, and includes construction and so on. It is to provide for the completion of certain projects started during the last fiscal year which it was hoped could be paid for before the conclusion of that year but which it was not possible to do. It includes such items as the construction of an open kitchen-dining room at Banff government camps and replacement of certain bridges in the Jasper national park and things of that sort. It is pretty well divided among the various national parks.

Item agreed to.

Northern administration and lands branch—

*695.* Construction or acquisition of buildings, works, land and new equipment—further amount required, $581,681.

**Mr. MacLean:** Will the minister be kind enough to make a brief statement with regard to the removal of these two towns in the Northwest Territories and the circumstances requiring it?

**Mr. Abbott:** I am sorry that my colleague the Minister of Northern Affairs and National Resources is not here. He would be much better informed about the matter than am I. As I think the committee is aware—an announcement was made here some time ago—it is going to become necessary to remove Aklavik from its present site, because of the condition of the terrain, to some more solid ground not too far away. This will take place over a considerable period of time. This particular item covers the expenses of the sites selection party to proceed from Aklavik to Coppermine for investigation of the area, purchase of lumber for use in the construction of buildings and other work on the new site of the Aklavik settlement. There are also some smaller items for other matters. The amount included here for the Aklavik move totals $105,000. It is considered that this, with some other items, constitute a relatively modest amount compared with the total cost, and this amount is all that will be expended this year.

**Mr. Fulton:** Is it the intention that the dominion government should pay the whole cost of the moving of this community? Does this represent only the cost of removing dominion government property?

**Mr. Abbott:** No. I speak subject to correction. Since the move is being made at the suggestion of the dominion government and since there is no organized municipal arrangement in that area, I think the cost of removing Aklavik from its present site to a more suitable site will be borne by the federal government.

Item agreed to.

DEPARTMENT OF JUSTICE

Supreme Court of Canada—

*164.* Administration, $195,485.

**Mr. White (Middlesex East):** When the minister's estimates were before the committee previously, I inquired with regard to the work of the R.C.M.P. at Ipperwash military camp. Will the minister report now?

**Mr. Garson:** Mr. Chairman, I wonder whether I might suggest to the committee that we follow the practice of raising these matters when the police estimates are

reached? I have a number of branch heads who advise me, and I should like to have the appropriate one beside me. When the police estimates are reached, I shall be glad to deal with any matter that is raised.

**Mr. White (Middlesex East):** That procedure is quite agreeable, Mr. Chairman.

**Mr. Fulton:** This is the item which, as I understand it, covers the administration of the Supreme Court of Canada. There is naturally curiosity—it is more than curiosity; I think it is a proper interest—on the part of many as to the situation with regard to the appointment of a chief justice of the Supreme Court of Canada to replace the Chief Justice who has just retired. Do not misunderstand me, Mr. Chairman. I know that the government is obviously—and quite properly—not to be expected to give any hint as to whom it has in mind before it is prepared to announce the appointment. But the question I want to ask—which is, I think, a proper one—is this: may it be expected in the near future? What is the position with respect to the imminence of the appointment?

**Mr. Garson:** The appointment of the chief justice is, I think, the prerogative of the Prime Minister. I think perhaps he could answer my hon. friend's question.

**Mr. St. Laurent:** Mr. Chairman, I would not want to say just on what day it will be made, but it is not intended that we shall all get away for our holidays before it is dealt with.

**Mr. Blackmore:** I think the minister was in the chamber when I was asking the Prime Minister a number of questions about Canada's policy with regard to combating communism or the communist conspiracy.

**Mr. Garson:** May I make the suggestion, Mr. Chairman—as was remarked this afternoon, I think to my friend the hon. member for Lethbridge, if I am not mistaken—that he ask that question on the estimates of the Royal Canadian Mounted Police? We shall be coming to them shortly, I hope. On that occasion perhaps he would raise the matter and at that time I should be glad to deal with it.

**Mr. Blackmore:** If the minister is quite satisfied to have it all discussed under the estimates of the Royal Canadian Mounted Police, that is all right. However, among the things about which I was asking the Prime Minister there are, as the minister will readily recognize, a good many which would not particularly come under the jurisdiction of the mounted police. They would come under the jurisdiction of the government at a much higher level. If the minister is quite content to have the whole discussion under the estimates of the mounted police, I shall be quite happy to wait until they are reached.

**Mr. Harris:** Carried.

**Mr. Blackmore:** That is agreed?

**Mr. Garson:** Yes.

Item agreed to.

Combines Investigation Act—

*168.* Restrictive trade practices commission, $71,668.

**Mr. Fulton:** I want to pause at item 168 for a moment because I think it is important that we should discuss investigations now being carried on by the restrictive trade practices commission into the subject of loss leaders. The whole situation arises out of legislation which was passed here in December, 1951, and which eliminated the only protection the retail trade of Canada had at that time against this practice, that is against the loss-leader practice. We gave quite extensive warnings to the government, on behalf of the retail trade, that there was then an imminent danger that if the protection of resale price maintenance was removed, many retailers would be ruined by resort to the loss leader and to other unfair competitive practices which had been previously followed and against which the device of resale price maintenance was worked out largely by the retail trade itself.

We now find, Mr. Chairman, that the loss-leader practice has, in fact, assumed the serious proportions which we forecast at that time, in 1951. It has unfortunately to be recorded that the government to date has taken no action whatsoever to deal in a positive way with the threat which the loss-leader practice presents to the retail trade. They have taken certain preliminary steps in that they have asked the restrictive trade practices commission to investigate and consider the matter. Recently the commission has commenced public hearings. I understand that those hearings will not be concluded for a month or two yet. We are therefore faced with the situation that nothing can be done until that report comes in, and presumably nothing effective can be done until this fall, if parliament should meet in November. Hence it is probably not until at least early next year that the retailers can expect any action to protect them against what is going on.

I want to ask the minister to let us know what the thinking of the government is with respect to this matter and to give us an

indication, if he can, of the action it is proposed to take and how soon it is proposed to take it when the report is made.

I do this because the figures with regard to commercial failures are quite disturbing. I do not wish to be taken as suggesting, because it is not my intention, that the trend shown by the increased number of commercial failures results exclusively from the legislation passed in 1951 and from the subsequent reappearance of the loss-leader practice. But I do suggest that when we find on the one hand that the retail trade itself is convinced, and has stated so publicly on a number of occasions, that this loss-leader practice is closely tied up with commercial failures, and when we find on the other hand a disturbing increase in the number of commercial failures, we are justified, and unfortunately justified, in saying that the forecast which we made in 1951 is now being fulfilled.

What we said in 1951 was that the retailers required some protection against the loss-leader practice and if that protection was not given it would have disastrous results on the retail trade. The government took a much more sanguine view. They said: Oh well, we do not think the loss-leader practice will ever recur under existing economic conditions but if it does we will consider it then and we will be in a position to do something about it. I obtained recently from the bureau of statistics tables of figures showing the number of commercial failures in Canada for every year since 1949, and I should like to put them on the record because they substantiate what I have said to the effect that there is a disturbing situation in that regard.

The first figures I shall give are for all types of commercial failures in Canada reported under the provisions of the Bankruptcy and Winding Up acts. There were 1,045 in 1949, 1,275 in 1950, 1,349 in 1951, 1,434 in 1952 and 1,617 in 1953. It will be seen that while these figures do not establish conclusively that the current increase in commercial failures results from the legislation of 1951, nevertheless there has been a disturbing increase in the last two years and an increase of 183 in 1953 over 1952.

In attempting to relate this specifically to the retail trade I was told by the bureau of statistics that they do not have the figures in that form but they do have a subdivision for "total trade" which they tell me would be mainly retail establishments. The record of failures under that subheading shows the same increase in 1953 over 1952. The situation is even more alarming if you compare the first quarters. I should point out that the figures for 1954, the current year, are only complete up to the end of the first quarter. They show a very much more disturbing increase in the number of failures in the first quarter this year over the first quarter last year. They also show a steady increase in the first quarter of each year since the first quarter of 1951. They do show a drop in 1953, but that trend seems to have been reversed at the present time. The total figures for the first quarter of every year from 1949 are as follows: 270 for 1949, 382 for 1950, 402 for 1951, 470 for 1952, 382 for 1953 and 680 for 1954.

Taking the subheading of "total trade", which is as near as the bureau can come with respect to the retail trade figures, the figures for the first quarters of each of these years, 1949 to 1954, are as follows: 93 in 1949, 149 in 1950, 168 in 1951, 186 in 1952, 146 in 1953 which is a slight drop, and then an alarming increase to 299 for the first quarter of 1954. I put these figures on the record to show that a discussion of the position of the retail trade and the impact on that trade of the loss leader practice is not one which is carried on in the realm of abstraction. It is a very concrete and disturbing situation that we are dealing with.

That of course is borne out by the statements of the retail trade itself. I have followed the press reports of the representations made to the restrictive trade practices commission in the course of its public hearings. I have not seen all the briefs and I can only assume and accept these press reports as representing accurate summaries of the presentation. I should like to place before the committee some of the views expressed by the retailers either individually or by association spokesmen, as reported—

**Mr. Garson:** Will the hon. member permit a question? Were these views expressed by retailers or other commercial concerns which had failed, or were they views expressed by retailers generally?

**Mr. Fulton:** The views I am now coming to are those of retailers generally. I do not think any of those who appeared before the commission were in fact bankrupt or had failed. That I do not know. That does not appear from the articles. As I read the articles, they were representations made by merchants continuing in business or else by trade associations.

**Mr. Garson:** The hon. member is not citing these quotations as proving his point as to the cause of any failures that took place?

**Mr. Fulton:** I certainly am. In the extracts which I shall read I will be quoting opinions to the effect that the re-emergence of the loss-

leader practice has a very direct bearing on the number of commercial failures.

**Mr. Garson:** Yes, but these are not the explanations of merchants who themselves have failed.

**Mr. Fulton:** That I am not able to state conclusively. I do not think any of the representations I shall be quoting were made by people who had in fact failed. Some of them may have been, but I do not think so. This is a report that appeared in the Ottawa *Journal* of June 2, 1954 and it deals with the hearings held in Toronto. It reads in part as follows:

> John Jardine, a spokesman for the Canadian sporting goods and cycle association, said large department and chain stores "seem bent on putting the small merchants out of business. We are meeting prices in what I am sure is a suicide race", he said. "If we don't maintain these prices we are sure to go out of business."
>
> The wholesale hardware association urged a return of legislation to stop loss leader selling.

Then there is a reference to another spokesman, Fred R. Cavers of St. Catharines, Ontario. I have not had an opportunity to look up the genealogical tree of this gentleman, but I point out that his name bears a resemblance to that of one of the members of the house. He comes from St. Catharines, Ontario, and I think that city is very near the constituency represented by the hon. member whom I have in mind. The report reads:

> Fred R. Cavers of St. Catharines, Ontario, speaking for electrical appliance dealers, condemned cut price sales on vacuum cleaners and television sets in his area as "vicious and predatory business practices". Cavers claimed some merchants were advertising "nailed down loss leaders", yet fining a salesman $5 if he sold the bargain item instead of "using it as a come-on" after getting customers in the store.

That refers to the criticism made by reputable retailers that a brand-name article will be advertised at a cut price, lower than the price for which neighbouring stores are selling it, as a come-on to get the customer in the store. But when the customer is in the store he is told: Oh, I am sorry, but the last of those was sold five minutes ago, but we have so and so and such and such which we assure you is every bit as good. But the customer finds the price is quite different. That is all tied up with the loss leader practice, which does not help the consumer.

Another presentation made before the commission in Montreal, as reported in the Montreal *Gazette* of June 8, was made on behalf of the Quebec retail tobacco association by Mr. H. J. Garfinkel, honorary president of the association. His presentation is summarized as follows:

> Mr. Garfinkel said the last defence of the retailer had been demolished with abolition of price maintenance—the selling of goods at uniform prices by all retailers.
>
> The small retailer's profit on cigarettes, he added, had not been excessive. It was a little more than 3 cents in 1939 for a 20-cent package and not quite 4 cents for the present-day 33-cent pack.
>
> But if the small retailers were to compete with chain stores, he said, they actually would have to take a loss of a tenth of a cent a pack.
>
> The large stores, the brief continued, selling cigarettes only as an incidental, can afford to take this loss if it brings in customers for other goods. But the small tobacconists depend on cigarettes for more than two-thirds of their sales.

He went on to describe the emergence of bankruptcy in some very large tobacco retail concerns in the United States and said:

> Only definite action on dominion, provincial, or municipal levels can save the Canadian tobacconist from the same fate.

There was another presentation on the following day, June 9, reported in the *Gazette*, by Mr. F. G. Samis, commercial manager of the Northern Electric Company. The report reads as follows:

> Mr. Samis included among predatory price-cutters retailers selling goods at a loss as a come-on for other products. He said all price-cutting was not bad, naming progressive price-cutting and protective price cuttings as ethical practices.
>
> Price maintenance would allow these methods, he explained, but would prevent price wars.
>
> George Pynn, appliance manager for Northern Electric, said in reply to a question he did not know of any manufacturer who had dropped a retailer cutting prices for justifiable reasons.

Then, the last report I have, and I think it was the last session of the commission in Montreal, is taken from the Montreal *Gazette* of June 11 and reports the presentation made by the radio-television manufacturers association of Canada as follows:

> A member of the association's delegation, Harry Marpole, of the R.C.A. Victor Company of Canada, later said bankruptcy was up considerably among his company's retail dealers since the government had removed price maintenance.
>
> "We have experienced", he said, "in the last twelve months, approximately 10 times the number of bankruptcies among our dealers as the average of the five years preceding that period."
>
> He said the cause was that dealers were forced to sell at prices that were too low for their budgets.
>
> He said he did not think there had been overproduction of television sets by his company last year.

Another witness who was heard at the time of this presentation was Mr. L. P. Fournier, credit manager of the Gerin, Trudeau Company. The report states that he—

> —warned that unless price maintenance was re-established many persons of bankrupt businesses would become unemployed.

They in turn would become dependent on public support paid for by the consumers whom the abolition of price maintenance was intended to help in the first place.

I have read those quotations, Mr. Chairman, to establish that in the view of the retailers, based upon their experience, and in the view of manufacturers who supply retailers, the re-emergence of the loss-leader practice has had exactly the result it was feared it would have by retailers at the time when protection against it was eliminated in 1951. The results which we forecast this would have, unless the government brought in some concurrent arrangements which would enable the retailer to protect himself in that regard, are exactly what has happened. I should be clear on that. What has happened is what we forecast. The government did not take any action when it removed the protection, and the disastrous consequences to the retailer have followed.

**Mr. Studer:** What about the consumers?

**Mr. Fulton:** My hon. friend asks about the consumer. I have some tables here which show to what extent the consumers may have benefited. I know that the figures are rather dangerous, and I said that although the figures show an alarming increase in the number of commercial failures, I am not prepared to say that that is entirely or exclusively attributable to the 1951 legislation. In the same way I hope that my hon. friends will not say that any reduction in the cost of living has been entirely attributable to that 1951 legislation. If they do make that argument, then I still do not think they could take very much comfort from it because the reduction is so small as to be virtually negligible.

The figures for the consumer price index are as follows: On January 1, 1952, 118·2; January 1, 1953, 115·5; January 1, 1954, 115·7 and on May 1, 1954, 115·7. It will be seen that in the three year period there has been a reduction in the consumer price index of 2·5 points. If my hon. friends are going to take much comfort out of that, then they can attribute the whole of it, if they like, to the action taken by the government in 1951. I still do not think it will comfort them very much, nor will it comfort the consumer. The consumer will be as disturbed as we are by what is happening to the small merchant in Canada as a result of the loss of protection he is now experiencing.

I should like to review for a moment what was said back in 1951, and show that not even the action forecast by the government has yet been taken. As reported on page 2451 of *Hansard* for December 28, 1951, we pointed out to the government this was a danger to the retail trade and we asked them what they proposed to do about it. Perhaps I could ask the indulgence of the committee while I read some remarks which I made on that occasion, because I want to show how clearly we warned the government as to what might happen. Discussing this situation I said, as reported at page 2451 of *Hansard* for December 28, 1951:

The proof of what I am saying is found in the statement of the Prime Minister yesterday when, as set out at page 2385, he was attempting to justify the government's willingness to rush the small retailers of Canada into oblivion, and leave with a few big giants of industry the control of the distribution of goods in this country. He said:

"I made the statement the other day, and I repeat it, that if as a result of this legislation or as a result of any other condition there develops a contrary abuse, the government will consider what recommendations it should make to parliament to deal with that contrary abuse."

He was referring to the possibility of the loss-leader practice. Well, I would ask the Prime Minister or, since he is not in his seat, the Minister of Justice, just how long he thinks it will take to consider and work out that recommendation? At what stage will the government decide that it has become necessary to work out some alternative form of protection? How many retailers will have to go to the wall? How many bankruptcies will have to take place in Canada? How many small concerns will have to be taken over by the giants of the distributive trades before the government decides the time has come at which they must give consideration to some alternative form of protection for the small retailer? Will it be one, or twenty-one, or a hundred or five hundred? How many thousands will have to be lost by small retailers before the government decides it is time to act?

The minister referred me to a statement he had made previously but which, as I pointed out to him, was not an answer to that particular question. At a later stage, at the top of page 2496 of *Hansard* for that day, the minister did say that the government would act quickly if a serious situation developed. He said that if the loss-leader practice emerged, and if it assumed serious proportions, then they would look very carefully at section 498A of the Criminal Code to see if something could be done. We asked him if that had been effective, and he said in his knowledge it had only been used once, so that is where that matter was left.

However, at an earlier stage he said that the government—perhaps I had better read the quotation from page 2496:

Should it become apparent that section 498A is not adequate to deal with any abuse of that sort which might make its appearance, then we are in a position, because of the work which has already been done, to follow out quite quickly any policy which might be agreed upon by the government at that time. But our own view coincides with that of the committee, that as long as present economic conditions continue there is no substantial likelihood of widespread predatory price cutting or loss leaders.

I think that is all I need to quote from the previous debate. What I have quoted

proves conclusively that the government was warned that this loss-leader practice would re-emerge. They said they did not believe that it would re-emerge, but that if it did they would be in a position to act quickly as a result of the work which had already been done.

Yet we find this serious situation confronting the retail trade of Canada, where they are being very substantially prejudiced by this practice. And what has the government done? As I pointed out earlier, it has done nothing of a positive nature. After having said they would be in a position to act quickly, the best they have been able to do is to instruct a commission to consider the matter, to hold public hearings and to bring in a report.

I suggest it is a fair inference to draw from what was said by the Minister of Justice in 1951, that the government intended us to understand at that time that it would be ready to act quickly, and that it would not be necessary for it to go about the country three years later inquiring into the matter and asking retailers to state facts which are already known; that is, that they are now suffering, and suffering severely, as a result of what was done in 1951, and as a result of that action not being accompanied by the corresponding action we asked for in 1951, to enable them to provide their own protection against the loss-leader practice.

I have made this brief review of the situation because I believe the House of Commons and the country should now hear from the minister just what the government proposes to do by way of action to protect the retail trade. And I say this because I do not believe there is anyone in the house or in the country who, if he stops to think, will not agree with me when I say that there is no more important group of people in Canada and in the maintenance of a sound economy than the small and independent retail dealers.

We believe that the health of the economy is indicated by the number of people who are self-employed, and gainfully employed, in commercial pursuits of one kind or another. We do not believe that it is either safe or healthy to see developing a tendency where the small and independent man goes to the wall, and his place is taken by the giant concern, with an inevitable drift toward a situation where everybody will be the employee of somebody else. Where everybody is an employee of somebody else, it means you will have a few giant concerns in the country for whom, in the long run, far too many people work. And it is that danger and that trend we are concerned to see dealt with. And it is because of the desirability of preserving in Canada the maximum number of small and independent concerns that I say the government is bound at this time to indicate what action it intends to take to protect those interests.

[Mr. Fulton.]

**Mr. Garson:** My hon. friend's case seems to be that, inasmuch as he alleges that commercial failures are on the increase, and that they follow the government's legislation in 1951 banning resale price maintenance that therefore the legislation is the cause of the commercial failures. This is the ancient and hoary fallacy of *post hoc, ergo propter hoc*—because B follows A, therefore A is the cause of B; or because A is associated with B, therefore one is the cause of the other.

**Mr. Fulton:** Would the minister permit me—

**Mr. Garson:** My hon. friend may deal with it when I have finished.

**Mr. Fulton:** The minister has misinterpreted and distorted my argument. But I will correct it later.

**Mr. Garson:** Moreover while I reject this reasoning completely, I reject with greater vehemence the premise upon which it is based.

**Mr. Fulton:** Tell us what you are going to do for the retailer.

**Mr. Garson:** I do not know that I could tell my hon. friend anything, but if he will let me make my speech I will endeavour to explain my own viewpoint.

To begin with my hon. friend has quoted figures from an unimpeachable source as establishing the commercial failures in Canada. But if he had examined those figures with a little greater care he would have seen that the bankruptcies included those estates, whether commercial or otherwise, which are under $500 in value, after deducting claims of secured creditors. He would also find there is a very heavy element in the figures he quoted of estates of wage earners where the assets of the estate are $500 or less, after deducting the claims of secured creditors.

For example, in the first three months of 1953 the total number of estates were 375, and out of that total number there were 178 bankruptcies in which the value of assets, exclusive of preferred claims, was less than $500. By no stretch of the imagination could all these, many of which involved wage earners, be regarded as commercial failures. Thus even if my hon. friend argued more logically than he did, he could not fail, since he started from a false premise, to reach a fallacy, and that is what he has reached.

Now, my hon. friend has raised this question at a time when this matter of loss leaders is under consideration by the restrictive trade practices commission. This commission is going about the country hearing from those sources from which my hon. friend quoted, commercial organizations of one kind or another who are opposed to the government legislation, and hearing also from sources from which my hon. friend did not quote, the Canadian Association of Consumers, for example, who are supporting the government legislation.

Until that report is brought in I think perhaps he would agree that the best course we could follow in this chamber is to await the considered view of the commission—the considered view which I am sure it will bring forth. But if my hon. friend did not wish to do that, at least he could have gone to an appropriate source to get figures which would have been clearly relevant to the point he was attempting to make. I suggest he could have gone to a recent study made, not by any government agency or by a royal commission appointed by the government, but by the well known firm of Dun and Bradstreet, which is an outstanding authority on commercial failures. This firm recently made a study of commercial failures. Their statistics relate wholly to commercial failures, and they include not only those cases which have got into the bankruptcy courts, but commercial failures which have not got into bankruptcy courts but which, for the purposes of my hon. friend's reasoning, are as closely relevant as if they had.

And what do they find? My hon. friend will see their finding in a recent issue of the *Financial Post*, that of June 19, 1954, under the heading "Why 1,093 Businesses Failed in 1953". This is a complete analysis grouped by cause of failure and by class of business. Surely here is the very point with which my hon. friend professed to deal in his speech. He was attempting to argue that it was the loss leaders, made possible in some measure as he would contend by the government's legislation in 1951 abolishing resale price maintenance, which was the cause of these commercial failures.

Well, this is the same kind of problem to which the firm of Dun and Bradstreet addressed themselves in their study. And they found that the principal causes of the 1953 commercial failures can be divided into two groups—first, underlying causes and, secondly, apparent causes. The underlying causes are 5·8 per cent neglect; 1·1 per cent fraud; 18 per cent lack of experience in the line; 35·9 per cent lack of managerial experience; 13·1 per cent unbalanced experience. The footnote to the heading is:

> Experience not well rounded in sales, finance, purchasing and production on the part of an individual in case of a proprietorship, or of two or more partners or officers constituting a management unit.

Then the next heading is: 22·8 per cent, incompetence; 3·1 per cent, disaster. These constitute the underlying causes.

Then, under the head of apparent causes they give: 1·3 per cent, bad habits; 3 per cent, poor health; ·1 per cent, marital difficulties; 1·4 per cent, other; ·4 per cent, false financial statements; ·2 per cent, premeditated overbuy; ·4 per cent, irregular disposal of assets; ·1 per cent other; 51·3 per cent, inadequate sales; 7·8 per cent, heavy operating expenses; 18·9 per cent, receivables difficulties; 8·1 per cent, inventory difficulties; 6·7 per cent, excessive fixed assets; 3·5 per cent, poor location; 14·1 per cent, competitive weakness; ·47 per cent, other.

Under the next heading: Fire, 1·7 per cent; burglary, ·2 per cent; employees' fraud, ·4 per cent; other, ·8 per cent. That accounts for the whole, and there is not under either one of those headings underlying causes or apparent causes any suggestion whatever that loss leaders have been the cause of those commercial failures. This is the report of a commercial concern which is an authority upon commercial failures and which after studying this problem has brought out this report to their customers.

**Mr. Fulton:** Of course there is not.

**Mr. Garson:** By way of replying to this argument—because that is the argument he has to reply to—and if I wished to I could cite another article by Mr. Honderich, financial editor of the Toronto *Star*, substantially to the same effect that loss leaders were not the cause of these bankruptcies—by way of replying to this type of authentic material, my hon. friend brings into this house statistics that ignore a lot of non-commercial bankruptcies. He wants us to believe, by the simple process of his telling us so, that on the basis of the increase in bankruptcies, therefore it was loss leaders that caused the increase in bankruptcies.

It is true that commercial failures have been increasing in Canada as in the United States. A copy of an article, for example, from the New York *Journal of Commerce* of June 10, 1954, indicates that although resale price maintenance, as the hon. member for Kamloops well knows, is not forbidden except in three states, and in the District of Columbia of the United States of America; in spite of the fact that these conditions, as he

appears to argue, are ideal for commercial retailers in the United States, who can indulge in resale price maintenance as much as they like; in spite of that, failures in the United States, have been higher in 1954 than in 1953 particularly in the fields of automotive retailing and household appliances. This is also the Canadian experience. But I would suggest to my hon. friend that where we have a phenomenon of that kind occurring on both sides of the line, and in the United States no abolition of resale price maintenance, but the great benefits of that which my hon. friend urges in full force there, and they have a particularly heavy rate of failures in the same lines as we have; in spite of that we on this side of the line have abolished resale price maintenance, the answer to the business failures in each case has to be found in other causes than loss leaders.

Take again a breakdown of some of these figures. It will indicate that we have no reason to believe that the increase is due in any significant degree to the resale price maintenance legislation. For example, the number of commercial failures under the heading of "furniture and household furnishings", a field in which complaints about price cutting on appliances have been numerous, have ranged from 24 in 1949 to 39 in 1951 to 64 in 1953, or an increase in 1953 of 64 per cent over 1951.

On the other hand failures under the heading of "automotive products", a field in which resale price maintenance has not been significant, have ranged for the same years from 35 to 40 to 85, an increase in 1953 of 112 per cent over 1951.

My hon. friend from Kamloops is alleging that the increase in bankruptcies is the result of these loss leaders that he is complaining about. How does he explain that there is a higher number of bankruptcies in the case where there has been relatively little price cutting, as compared with a lower number of bankruptcies in another industry where there has been a greater amount of it? By every test that one can apply to both his facts and his reasoning, his case is disproven by his own arguments, and certainly disproven by studies such as the one by Dun and Bradstreet, to which I have made reference.

**Mr. Fulton:** Unfortunately the minister cannot deal with an argument on its merits, but has to resort to a misinterpretation of it, or at the best a careless interpretation of it. The minister has sought to twist my argument, by ignoring those parts of it where I stated that I had been careful not to attribute the whole of the effect to one particular cause, and by saying that I was doing exactly that which I said I was not doing. I could not have said more clearly that I was not claiming that simply because commercial failures had increased subsequent to the elimination of the protection against loss leaders, I was arguing that therefore the whole of the increased number of commercial failures was due to that action. I could not have said it more clearly, and yet the minister rises in his place and deliberately ignores that fact and says that I am saying that because there has been an increase in the number of commercial failures I have therefore argued that it followed that it was exclusively attributable to the government legislation in 1951. That is the kind of argument—



**Mr. Garson:** Will the hon. member permit a question?

**Mr. Fulton:** No; I shall complete my argument first. That is the kind of argument the minister tries to use, a kind of setting up a straw man to knock down that he uses to divert people's minds from the main arguments made, and in doing so of course completely failing to deal with the merits of those arguments.

Then he also carelessly jumped to the conclusion that I had not carefully analysed the figures that I quoted, and he said that I had included a lot of the failures which were not trade failures at all. It is perfectly true that I gave first of all figures for the total of all types, but I was careful to add that I had discussed the matter with the official of the bureau of statistics with whom I was speaking and he had pointed out to me this could not be presumed to be an accurate guide—

**Mr. Garson:** Why use it, then, if it is not an accurate guide?

**Mr. Fulton:** —and I therefore said, I will give a subtotal. I gave two sets of figures, the first to show the trend of increased failures in this country, then I said I was giving a subtotal which is headed "total trade", and I pointed out that the bureau told me that would be mainly retail trade. I gave that set of figures, and how on earth the minister can then stand in his place and say I was giving figures which included a number of wage earners passes my comprehension. That is the sort of argument that the Minister of Justice uses in answer to the case I was seeking to make.

**Mr. Garson:** Will the hon. member permit a question?

**Mr. Fulton:** I wish the minister had listened to me instead of sitting there with a closed mind, having apparently concluded at the outset that there could not be any merit in the case. I used the exact figures, but he appears to have sat there with a closed mind and thought that we on this side of the house would use the same sort of futile and puerile argument that he himself might have used. I can assure him that would not be the case.

Then, he goes on to give the result of a survey by Dun and Bradstreet. I have the highest regard for Dun and Bradstreet but I cannot agree when the minister says that my argument is demolished by that survey and because neither Dun and Bradstreet nor any other statistical survey has attributed the causes of bankruptcy to the loss-leader practice. If it is the loss-leader practice which has resulted in the bankruptcy of many of these retailers, then that means they are being driven out of business by the loss-leader practice followed elsewhere than in their own stores. They probably went bankrupt because as a result they could not sell a sufficient volume of goods at a price which would meet the cost of operation.

**Mr. Dickey:** Would the hon. member permit a question?

**Mr. Fulton:** Just one moment. Because of that, bankruptcy would be ascribed to one of the ordinary commercial headings with respect to that business. It is perfectly obvious that the cause of the bankruptcy would not be ascribed, in a cold statistical survey, to the fact that somebody else was following the loss-leader practice. The merchant might say, "I am being ruined by the loss-leader practice being followed elsewhere. People do not come to my store because they are being lured into other stores by this predatory practice—"

**Mr. Dickey:** Would the hon. member not agree that in making this study of the causes of bankruptcy Dun and Bradstreet officials would ask retailers the causes of their going into bankruptcy and if they felt that the use of the loss-leader practice by their competitors was the reason then surely they would have said so.

**Mr. Fulton:** If the hon. member had listened carefully he would have learned that according to the second table read by the minister there was a heading referring to competition —was it "excessive competition"?

**Mr. Garson:** No, competitive weakness.

**Mr. Fulton:** Well, that is the sort of heading that would be used. Because if a merchant being asked these questions were to say, "Well, I went out of business because the fellow down the street undersold me," it is hardly feasible to expect a reputable statistical firm such as Dun and Bradstreet would draw the conclusion and put it down statistically that these bankruptcies resulted from the loss-leader practice being followed elsewhere. It is much more probable that a number of such bankruptcies would be ascribed to managerial incompetence. I suppose one might argue that the dealer, finding himself at a competitive disadvantage as a result of the loss-leader practice being followed elsewhere, should, strictly speaking, close up his doors and go out of business before he became bankrupt. Therefore, the fact that he struggled along and finally went bankrupt could in the cold-blooded realm of statistics be ascribed to managerial incompetence. But that does not alter the basic reason behind it, for it is due to the loss-leader practice—the unfair competitive practice—being followed by a number of large commercial firms, and chain stores in particular.

While the Dun and Bradstreet figures are interesting, that survey in no way deals with the case and, in fact, the minister, by this smokescreen he endeavoured to throw up, has carefully avoided dealing with the basic question, namely, what are you going to do to protect the retailer? Or is the minister asking us to draw the conclusion from his failure to deal with that question that the official government attitude at the moment is that the retailers are all wet when they say they are being severely injured by this loss-leader practice? I think we are still entitled to an answer to the question as to what the government proposes to do, and I would press the minister to give an answer.

**Mr. Garson:** My hon. friend does not need to press me about giving him an answer to that question. I have said, not only during the present exchange but on previous occasions, that we had instructed the restrictive trade practices commission to examine the whole problem of loss leaders and they are at the present time engaged in holding a series of meetings in various cities in Canada hearing from retail and wholesale merchants, manufacturers, from the Canadian Association of Consumers and others. Indeed if my hon. friend from Kamloops wishes to make representations to that body as to his views on the situation with regard to loss leaders then he is quite at liberty to do so. The government intends to receive the report of this commission and to decide in the light of that report what policy, if any, it will recommend to parliament. Now, I do not know how more rationally or more intelligently a controversial problem of this sort—and it is controversial

because by no means every person in Canada accepts my hon. friend's views on this matter; indeed there are a great many people who have views in the other direction—can be handled. The government's course is an eminently proper one and that is to have an objective examination made of this controversial question by a competent body and then base its consideration of the matter upon the report of that body.

**Mr. Fulton:** Let me just wind up my remarks in this way. While I do not accept for a moment the minister's view as to the meritorious nature of the course to be followed, I must say it has been clearly established that if this course is to be followed, it should have been followed two or three years ago. As I indicated at the outset of my remarks, it was pointed out to the government clearly in 1951, both when the special committee of the house was sitting and in the course of the discussion which followed in this chamber, that there was the gravest danger of the re-emergence of the loss-leader practice as a result of the government's legislation. The government cannot deny that it had that danger clearly pointed out to it both by the retail trade itself and by hon. members of this house. What the minister said at that time has already been quoted by me but I will quote his words again:

> We are in a position because of the work which has already been done to follow out quite quickly any policy which may be agreed upon by the government at that time.

We pointed out that the loss-leader practice could re-emerge and assume serious proportions and it did emerge and it did assume serious proportions some time ago, and yet the government is still not in any position to do anything about it.

I can only repeat what I said before, that particularly in the case of those retailers who are going to the wall, whatever action the government may take obviously comes some two or three years too late. In spite of the fact that they had repeated warnings the government declined to take action until it was too late.

**Mr. Coldwell:** I want to ask the minister this question in view of the discussion on loss leaders. I have heard a great deal about this throughout the country and I would ask the minister how he proposes to obtain a competitive free enterprise system and at the same time deal with this particular problem. I think it would be very difficult for the government, or indeed for any party that was wholly wedded to free enterprise and the competitive system of trade and commerce, to draw up legislation which would deal with this problem. Can the minister answer that conundrum now, or shall we leave it until he receives the report from the commission?

**Mr. Garson:** I do not mind attempting to comment on my hon. friend's question even if I cannot answer it. But by the way I think it might more properly have been addressed to the hon. member for Kamloops.

**Mr. Coldwell:** I agree with that.

**Mr. Garson:** He is a great exponent of free enterprise and he should answer that question.

**Mr. Fleming:** Do you not believe in free enterprise?

**Mr. Garson:** Indeed we do and we act accordingly. That is the difference between my hon. friend from Eglinton and the members on this side of the house. The answer to the question of the leader of the C.C.F. party is this. This is the great difficulty in regard to this question. In our disposition of the problem of loss leaders which has arisen we must be careful that, in an attempt to protect certain persons against loss leaders, we do not seriously impede or even prevent the operation of free enterprise. I am glad that my friend, the hon. member for Rosetown-Biggar, asked the question. I think he probably knew this when he asked that rhetorical question. That was the reason why we have appointed a competent board to hear both sides of the case and so that we can have the best possible material upon which to judge what line of action should be taken as between preserving free enterprise on the one hand and relieving difficulties of individuals on the other.

**Mr. Fleming:** Mr. Chairman, this debate today recalls to the minds of those of us who were in the House of Commons in December, 1951, the debate at that time which occupied some days in the house after the matter of resale price maintenance had been considered at some length in a committee of the house. It recalls an episode in which the government with great haste sought to perpetrate a hoax upon the consumers of Canada, and to seize upon a scapegoat in the form of the practice of resale price maintenance as the means by which that hoax would be perpetrated upon the consuming public of Canada.

This legislation which was enacted in December, 1951, came at a time when prices were rising swiftly in this country and when the effects of a rapidly rising cost of living were being keenly felt by the consuming public of Canada. The government was a party to the rapid rise in the cost of living

for in that year the government, not satisfied with an already too high burden of taxation which it had imposed upon the Canadian people, chose that very time to increase the burden of taxation, particularly those taxes which entered into the cost of living. That was the year in which they raised the sales tax from 8 per cent to 10 per cent. That was the year in which they raised the excise tax on many commodities that entered into the cost of living of the average Canadian household up to figures like 25 per cent and 35 per cent. That was the year in which they applied excise taxes up to 15 per cent on many commodities on which no excise tax had been levied up to that time.

We now see chickens coming home to roost in this year 1954. In December 1951 the government sought to fool the Canadian people. They sought to make the Canadian public believe that the practice of resale price maintenance was contributing to this soaring increase in the cost of living that plagued the consuming public at that time. The fact is, Mr. Chairman, that the legislation then passed, which had the effect of banning resale price maintenance, contributed nothing to lowering the cost of living. Indeed, before the inquiry conducted in the fall of 1951 in committee had run its course, the Prime Minister had given the government's whole case away.

**Mr. Pickersgill:** May I ask the hon. gentleman a question?

**Mr. Fleming:** A little later I shall be glad to have my hon. friend's question. I will pause in a moment for that purpose. As I say, the Prime Minister had given the government's whole case away when on October 15, 1951, he admitted to the house that the abolition of resale price maintenance would make no material contribution to reducing the cost of living. That admission gave away the whole government case on this point. Indeed that was apparent when the Minister of Justice sought so desperately, after the legislation was back before the house, to try to justify that legislation.

I shall now be glad to deal with my hon. friend's inquiry.

**Mr. Pickersgill:** Mr. Chairman, from what the hon. gentleman has said, I infer that he is maintaining that the abolition of resale price maintenance had no effect whatsoever. If that is the case, how does the practice of loss leaders become possible after it has been repealed to any extent that it was not possible before? Either he is arguing against the hon. member for Kamloops or there is nothing in his argument.

**Mr. Fleming:** That is a sample of the kind of question that the Secretary of State quite frequently of late has been obtruding into the remarks of members of the House of Commons.

**Mr. Garson:** Why does the hon. member not answer the question?

**Mr. Fleming:** He takes the floor to ask a question, but he does not content himself with a question. He goes on and tries to smuggle these speeches of his into the remarks of other members.

**Mr. Pickersgill:** I am learning fast from my hon. friend.

**Mr. Fleming:** There he is again, Mr. Chairman, with springs in his trousers; he cannot keep his seat. I well recall the remark made by an eminent Ontario judge on one occasion to a counsel who kept bouncing up and down. As the Secretary of State seems to have the same difficulty I will pass on the same advice as that which was given on this occasion by this eminent Ontario judge when he addressed the counsel in these words: "Mr. So-and-so, may I suggest that you take a seidlitz powder".

**Mr. Garson:** In reply to the question of the Secretary of State is my hon. friend's answer that he should take a seidlitz powder?

**Mr. Fleming:** If the Minister of Justice will possess his soul in patience he will hear my answer to the remarks of the Secretary of State who, after all, is not interested in getting an answer. He is not even listening to anything right now. He is engaged in conversation over there. He was only interested in trying to interrupt my speech and to interpolate his own views for what little they are worth. If the Minister of Justice will now just pay attention he will hear that I have a good deal to say on the subject to which the Secretary of State referred in his comments.

**Mr. Hosking:** Let us get on with the business.

**Mr. Fleming:** We will get through with the business much faster if the hon. gentlemen over there will possess their souls in patience and will try to control their vagrant tongues.

**An hon. Member:** Patience is a virtue.

**Mr. Fleming:** I think my patience is as great as theirs. I can stand here as long as their tongues wag to no effect. If they wish to get on with the business, let them stop their silly interruptions.

**Mr. Knowles:** Wag away.

**Mr. Fleming:** Can we get on with the business, Mr. Chairman?

I was saying that the chickens are coming home to roost. The fact is that it may have been relatively easy, as the government surveyed the situation in December, 1951, to expect that they would get away with what they were doing, because we then had a situation where there was a sellers' market; people could sell virtually whatever they had to sell. Therefore the problem of the loss leader, which is inherent in this question, did not arise in pressing form. However, in June, 1954, we have a far different situation. Competition is infinitely keener today than it was two and a half years ago. In the retail trade as well as in industry and commerce generally in this country the situation is far different. We can see arising now, Mr. Chairman, the effects that were inevitable in this legislation. It took time for those effects to demonstrate themselves, but they are demonstrating themselves today. The practice of the loss leader—a vicious practice, if ever there was one—was inevitable following upon the legislation of December, 1951.

That question of finding some way of dealing with the vicious practice of the loss leader did engage the committee that wrestled with this subject, and I recall that some hon. members opposite—the hon. member for Spadina, for instance—did try to come to grips with what they realized was a problem that would inevitably arise, namely, the loss-leader practice. They were not able to work out any satisfactory legislative formula to deal with the problem of the loss leader. That, sir, is the inherent weakness and defect of the legislation that was passed in December, 1951.

The government, determined to carry through the project on which it had started at that time, that hoax I have referred to, was prepared to go ahead willy-nilly, recklessly, and to see to it that legislation passed without having put before parliament any satisfactory legislative formula to prevent the rise of the loss-leader practice. The fact is that efforts were made at that time to devise some legislation to deal with the problem of the loss leader, but nobody was able to come up with a satisfactory legislative formula to deal with it.

But the government was not to be deterred. Loss of face was one thing they would not brook. The Minister of Justice was quite concerned at that time in trying to appear to do something in this field of competition to help the public, forgetting that he was the man who had suppressed for ten long months in defiance of the law of this country the McGregor report on the alleged milling combine. When the minister talks today about his belief in free enterprise, tries to make the rafters ring in this chamber, and says that he acts according to his belief, let me recall to his apparently deficient memory the fact that nobody who has held the portfolio of justice has done any more to weaken the system of free enterprise or the people's belief in it than was done by his wilful and illegal suppression of the McGregor report on the alleged milling combine.

The situation that we see today arising out of keen competition is the kind of situation which brings about a resurgence of the loss-leader practice. The Minister of Justice has not denied today the resurgence of the loss-leader practice. Indeed, he could not. It is known by everyone who has any knowledge of current commercial practices, particularly in the retail field, that the loss-leader practice is flourishing today and is doing very great harm to the legitimate retail trade. That, indeed, is the reason the Minister of Justice appointed this commission. He waited two and a half long years until the chickens had come home to roost, until this vicious practice was flourishing again, before he took any steps to initiate an inquiry into it.

Nobody quarrels with his institution of an inquiry. What we deplore is that he waited for two and a half long years to set up this inquiry. The warnings were there, given to him in December, 1951, but he just would not listen to them, and he has waited until this evil practice has flourished again before he has taken even this elementary step of beginning an inquiry into the practice. The practice is in existence. He knows it. He has been dilatory in the face of the revival of a vicious practice, a practice whose return was inevitable once parliament passed the legislation that this government imposed upon it in December, 1951.

The retail difficulties are all there today. The practice of loss-leader selling is wreaking its havoc in the Canadian retail trade. It is not confined to any one particular commodity. It has become quite widespread in the Canadian retail trade. It is accompanied by its usual evil geniuses, misleading advertising, refusal to give service, as well as those other features of the loss-leader practice which were so clearly described before the committee in its sittings in the autumn of 1951.

In a very shallow approach to this question today the minister has sought to distract attention from some very real points that

were raised by my colleague, the hon. member for Kamloops. The way he handled figures in the course of his remarks was something weird and wonderful to behold. He took the figures of commercial failures, figures which are issued by government sources and which show that the rate of commercial failures in the early months of this year is double that of a year ago—as a matter of fact it is more than double in terms of the liabilities—and sought to discount all that argument by saying that the figures included failures on the part of wage earners.

Let us just put the Minister of Justice straight on this. I have before me the publication of the dominion bureau of statistics in relation to this matter. It carries the figures of commercial failures down to the end of the first three months of this year. What do we see as to the number of failures of wage earners in this total? The total of commercial failures in the first three months of this year was 680. The number of failures of wage earners was just fifty-nine, something like 8 or 9 per cent of the total. Because the 8 or 9 per cent of wage-earner failures are included in this total, the Minister of Justice, following his concepts of logic, proposes to discard all the figures that were put before us. He knows perfectly well that it is not necessary to bring before the house any figures of actual failures. He knows all too well that there exists in the commercial retail trade today a situation which has been developing for some time under his eyes while he has been so dilatory, a situation which has become infinitely more serious and is today becoming more and more acute by reason of the flourishing of the loss-leader practice. We hold the Minister of Justice, the government—

**Mr. Kirk (Antigonish-Guysborough):** Will the hon. member permit a question?

**Mr. Fleming:** —and its legislation of 1951 responsible for the resurgence and revival of the loss-leader practice in the retail trade in Canada today.

**Mr. Kirk (Antigonish-Guysborough):** Will the hon. member permit a question? I wonder whether the hon. member has taken this fact into consideration, that we have gone from a sellers' market into a buyers' market. Where is the balance then, and why blame the Minister of Justice, the Minister of Trade and Commerce or anybody else? We have gone from a sellers' market into a buyers' market so far as retailers, wholesalers, manufacturers and everybody else are concerned.

**Mr. Fleming:** Apparently the hon. member was not following what I said earlier because I said that very thing not more than ten minutes ago. He was over there talking to the Secretary of State when I was saying that very thing. I brought that point forward to illustrate the fact that the situation that exists today in the Canadian retail trade is a very different situation from that which existed in December, 1951. It was all very well for the government to put over this hoax in December, 1951, to abolish resale price maintenance without the public then being able to see the inevitable evils that would follow, but today with a buyers' market we do see the inevitable consequences, namely, the revival of the vicious practice of the loss leader.

It was inevitable once the government had this legislation passed in 1951. It has taken time for the situation to change, but the situation has changed, as my hon. friend has said. Now we see the return of the loss-leader practice, and we see it flourishing today. It is a deplorable fact that it is a practice that is doing very great harm in the retail trade of Canada today, and we hold the government responsible.

**Mr. Kirk (Antigonish-Guysborough):** Would you say that is the difference between the big dealer and the marginal operator?

**Mr. Fleming:** Pardon?

**Mr. Kirk (Antigonish-Guysborough):** The big dealer and the marginal operator—is that the difference?

**Mr. Fleming:** I am glad to have my hon. friend raise the point about the big dealers because he might remember that the biggest retailer in Canada supported the government's legislation in 1951. We said at that time that we were fighting for the small retailer and that if you permitted the return of the loss-leader practice, inevitably you would see more small retailers close up and more and more of the retail trade of Canada being concentrated in the hands of the big retailers. That is what was said at that time, Mr. Chairman,—

**Mr. Coldwell:** It is after six o'clock, Mr. Chairman.

**The Chairman:** Do I understand that there is unanimous consent to proceed through the usual dinner adjournment?

**Some hon. Members:** No.

**The Chairman:** There not being unanimous consent, and since it is six o'clock, I do leave the chair.

At six o'clock the committee took recess.

## AFTER RECESS

The committee resumed at seven o'clock.

**Mr. Fleming:** Mr. Chairman, prior to the dinner recess there had been some discussion indicating that there might possibly be a difference of opinion between the two sides of this house as to what may be cause and what may be effect in the present situation. Now, we may not agree on the causes, but we can agree, surely, on the effects as we see them today. And those effects are a revival, in a flourishing condition, of the vicious practice of the loss leader. And, so far as cause is concerned, whether the practice itself has brought on much or little of the present condition, the fact is that the present condition in the Canadian retail trade, one of increasingly keen competition, is the kind of situation in which the loss-leader practice was bound to be revived. And that has followed; and we say it has followed inevitably. It followed because of the enactment of the legislation in December 1951 at the behest of the government. Had that legislation not been enacted we would see today the benefits of the practices that had, before that time, eliminated the loss-leader practice from Canadian retail selling.

There are those who profess to see advantages to the consumer in a situation of this kind. Well, of course there are advantages to the consumer in a competitive situation such as we have today. Wherever you have a buyers' market, as at the present time, naturally there are advantages to the consumer—just as in December 1951, in the midst of a sellers' market the seller did possess an advantage in dealing with the consumer.

But it would be a very great mistake to think that the practice we are complaining about now, this evil loss-leader practice, has brought benefit to the Canadian public. Competition may be—and I have indicated that it is—of advantage to the Canadian consumer. But it is a very different thing to say that the loss-leader practice works to the advantage of the consumer.

There may be thought to be some short-term advantages to the consumer in the loss-leader practice. Some consumers think that there are bargains to be had under these conditions. Well, as hon. members who have had experience in retailing well know, the fact of the matter is that the first victim of the loss-leader practice is the consumer himself, as a class.

These so-called price wars are in many cases simply fictitious. The loss leader that is put out and becomes a bait for attracting the unsuspecting public into the retail store

[The Chairman.]

is put on sale at only short intervals, then withdrawn, and more expensive merchandise is put in its place. These are but some of the phases of the loss-leader practice which have been exposed whenever inquiries have been held, whether in this country or elsewhere. And in the 308-page volume published in April following an inquiry made by the restrictive trade practices commission, at the request of the Minister of Justice, we see catalogued on page after page these iniquitous phases of the practice of loss-leader selling.

I am sure no one in the house will have the temerity to justify or defend the loss-leader practice. It is vicious from start to finish, and in every respect. And the extent to which the loss-leader practice flourishes marks also the extent to which the small retailer is placed in jeopardy, because the effect of this practice inevitably and invariably has been to concentrate retail business in the larger outlets at the expense of the small retailer.

From what I have seen of it of late in Toronto, it is the small retailer—in many cases the young veteran who established himself in business since the war—who is feeling most keenly the effects of the loss-leader as practised by larger retailers.

So let no one try to justify this practice, as though it were of some benefit to the consumer. The consumer is the person who will lose out in the long run by reason of the curtailment of retail outlets and the gradual submergence of the small retailer in favour of the concentration of business in the hands of the larger retailer.

Finally, I offer one word in reference to legislation in the United States. This afternoon the minister made some reference to this subject and sought to draw an inference from it which I suggest is not warranted, and which is not particularly material to the point at issue. It is undoubtedly a fact that there are bankruptcies in the United States in retail trade today. But in those cases it is part of the general picture of meeting competition. It is part of the general condition that exists in the retail trade today. In their case it is not the result of legislation which opens the way for the loss-leader practice.

In 45 of the 48 states of the American union there is legislation commonly called fair trade legislation which permits resale price maintenance and thus combats the loss-leader practice. The constitutionality of that legislation was upheld by the Supreme Court of the United States when it refused leave to

appeal from a decision affirming the constitutionality of this state legislation. Something of this kind would be altogether desirable in this country.

There must be legislation, Mr. Chairman, which will make it possible for business to be cleansed of the loss-leader practice. Can it be done by a legislative enactment which will specifically prohibit the loss-leader practice? Well, all that I can say on that subject is this. Out of the experience of sitting in that committee in the autumn of 1951 and through the debates of this house which preceded and followed the sittings of the committee, all I can say is that at that time at any rate no member of the committee, no member of the house, no adviser of the Department of Justice was able to bring forward a satisfactory enactment to prohibit the practice of loss-leader selling.

The hon. member for Spadina attempted to write such a section in the committee. It was found, in the view of the committee, not to offer a workable solution. If the commission that the Minister of Justice has set up and is now holding sittings is able to bring forward some legislative formula to prohibit the loss-leader practice then they will have done something that nobody has been able to do effectively up to the present time. In truth, Mr. Chairman, the effective antidote to the loss leader, the vicious loss-leader practice, is the kind of practice within industry which was permitted under the laws that existed prior to December 1951, and which is prohibited today by legislation enacted by this parliament at the request of the government.

While I have no wish to prejudge the findings of the commission I will say this, Mr. Chairman. It seems to me that if they are being asked to write a legislative provision prohibiting specifically the loss-leader practice, they have been assigned an impossible task. It will have to be left to other methods to grapple with this vicious practice, and I for my part express my regret that the government, for partisan reasons, in 1951 denied to business the opportunity of cleansing the retail trade in this country from the vicious loss-leader practice.

**Mr. Yuill:** It might be interesting to the minister to get a little firsthand information pertaining to the loss-leader business. I happen to be one of those small merchants who unwittingly found himself enmeshed in these very tactics. I have been running a retail business for a number of years. I have always run it on a live and let live principle. I enjoy quite a considerable patronage in our town. It is only a small town of about 1,600 or 1,700 people. We had two other meat merchants there. We have a nice business and are doing it legitimately. Just about the time that I was elected to come to Ottawa a very fine supermarket was set up in our town. I know that most people who are familiar with the meat business know that the hamburger trade is perhaps the same to the retail butcher as the cough drops are to the Smith Brothers. It is very important. As a matter of fact, you cannot survive without it. I enjoyed a very large trade. I gave them the very best that was to be had. It was always fresh and good, and the price was always right. Therefore I obtained about 90 per cent of all the hamburger business in our town. I have 95 per cent of all the restaurant and hotel business. It was very important business.

So far as the hamburger was concerned, I was selling it pretty well on a break-even basis. But this famous unit came to town and perhaps they felt that the hamburger level was most vulnerable so far as my business was concerned, and they concentrated on that. The result was they were quoting hamburger at less than 25 cents a pound. They were paying the same as I was, 37 cents and 39 cents a pound for beef. You can see the effect that would have on legitimate trade.

I believe the retail merchants serve a very useful purpose in a community. We enjoy the confidence and the support, not only of the people of the town but of people from quite a distance away from the community. They were quite happy and satisfied. As a matter of fact in the twelve years or thirteen years that I have been there my business has increased about thirteen times what it was when I bought it in the spring of 1942. That should be proof enough that the people must have felt they were getting a square deal. This unit came to town with perhaps a hundred times as much money as I had, and they viciously tried to put the skids under my business as well as under the other gentlemen who were doing a legitimate business in our town. If you need any evidence, I can give it to you. I can tell you where to go and get that evidence. There is no monkey or no funny business about this; it is a reality.

I sincerely hope it will not result in two or three more cases of bankruptcy because of unfair tactics from that angle. I am not pleading particularly for myself. I am not afraid of legitimate business. I happen to be mayor of that town. I am serving my fifth term there now. I have never yet tried to discourage anyone from coming in there and opening up in opposition to my own business or to any other business. When people come to a town and make a gentleman's agreement that they are going to do business on the level and then they come out with those tactics, it is about time that this government or somebody started to reckon with that kind of condition.

What I am saying goes for small merchants in our town or anywhere else. If I am going to be steamrollered and pushed aside because big business likes to come in there and steamroller us out of business, it is about time that this government took some action in the matter. I am not particularly in favour of price controls. I have worked under price controls and I do not relish them too much, but the minister would be well advised to consider ways and means of keeping this business on the level and to give every man the opportunity to live in a free country.

**Mr. Fulton:** Will the minister tell us when it is expected the commission will conclude its inquiries and be able to make a report?

**Mr. Garson:** I expect that they should conclude their inquiries some time before the end of August, and we would hope that the report would be available some time this fall.

**Mr. Fulton:** They have finished in Toronto and Montreal? Are they now in the maritimes or going west?

**Mr. Garson:** They are going west.

**Mr. Coldwell:** I am going to pass one remark. I am wondering whether I am really with "Alice" in "Wonderland". We have free enterprise parties all over the house and they are asking the government to interfere with free competition.

**Mr. Fulton:** The hon. member for Rosetown-Biggar said a little while ago—perhaps I will not say any more; it was a private conversation. I will say, however, that the hon. member for Rosetown-Biggar knows very well that the remark he has just made is not a proper interpretation of what is asked for here. I can tell the hon. gentleman if he really expects the house to be closed by Saturday he should refrain from making that sort of remark. I suggest that as a matter of fact what the hon. member for Rosetown-Biggar would like to see, in keeping with the political doctrines to which he subscribes, is the continuance of conditions which would create a demand for government interference and control of everything. That would suit the purpose of the hon. gentleman.

We recognize that human nature has certain weaknesses and what we are trying to prevent are the abuses which will result from the kind of thing which the hon. gentleman wants continued. We maintain that these abuses are brought about under the system which is permitted as a result of the government legislation of 1951. The protection that had been worked out previously by business and commercial interests on a voluntary and co-operative basis was working well, as the hon. member for Eglinton pointed out, in the interests of both the buyer and the seller. But it is now made illegal to follow that form of self-protection as a result of the ill-advised course followed by the government in 1951. We are not asking for any governmental protection for anyone. We are merely asking that those interested in the matter should be allowed to work out their own means of self-protection, a means which at the present time is made illegal by the government.

[Mr. Yuill.]

Item agreed to.

Combines Investigation Act—

*169.* Office of investigation and research, $334,580.

**Mr. Fulton:** Could the minister tell us what other inquiries are now in hand in the investigation and research branch?

**Mr. Garson:** I cannot very well disclose those that are in hand by the investigation and research branch. I can indicate those that have been reported on to the commission itself within the past fiscal year or are still pending in some form or other. I will give the list. There is resale price maintenance of chinaware, coarse paper, household supplies, electric wire and cable, fine paper; price discrimination in hardware; the match case; resale price maintenance of soap, rubber and gasoline in Vancouver.

**Mr. Fleming:** May I ask whether all of the reports that have been submitted have been made public?

**Mr. Garson:** All reports submitted by the commission have been made public.

Item agreed to.

Combines Investigation Act—

*665.* Office of investigation and research—further amount required, $43,000.

**Mr. Fulton:** I notice that for the office of investigation and research there is this further amount requested of $43,000. I wonder if this is for the expansion in the field of investigation and research undertaken by this department. Is the minister able to comment?

**Mr. Garson:** My hon. friend is quite right in his assumption that this covers a general expansion of the work.

Item agreed to.

172. Yukon Territory—administration of justice, $49,808.

**Mr. Michener:** Mr. Chairman, it is perhaps rather a long jump from loss leaders to judges' salaries but I would like to say one word on that subject. I speak as a former member of the legal profession, or at least I was a member of the legal profession until last November, and I speak as one who has

no expectation of being appointed chief justice of Canada and indeed has no aspirations even to be a puisne judge. I say that in case I might be suspected of being interested. I think many of the members of the legal profession in this house are greatly concerned about the problem of judges' salaries and I rise to express the hope that the minister has not abandoned his efforts in this field because I feel there is a problem and an important one. Everyone knows the necessity for maintaining the independence, impartiality and quality of the bench.

**Mr. Harris:** This covers police magistrates, not judges.

**Mr. Michener:** It may not be entirely in order but I want to say that I for one do hope that although we have not before us a solution we will in due course have one.

Item agreed to.

General—

*173.* Expenses of committee appointed to advise on principles and procedures relating to remission service, $10,000.

**Mr. Winch:** Just a brief question. Can the minister tell us what progress has been made with this inquiry and just when he anticipates a report will be available?

**Mr. Garson:** I would not think the report would be available until next year. I would not like to say exactly when but I do not think it will be available before that time. This is quite a full inquiry into the whole field of remission and parole and the committee will examine the matter carefully here and will then examine the systems they have in England and Belgium before making a report to us.

Item agreed to.

*667.* Expenses of the royal commission on the law of insanity as a defence in criminal cases and on the criminal law relating to criminal sexual psychopaths, $72,250.

**Mr. Fulton:** Can the minister give us any indication as to when the commission will conclude their study and make a report?

**Mr. Garson:** That too will take some time since it is intended to be a definitive study. In addition, as my hon. friend is no doubt aware, the chairman of that commission, Chief Justice McRuer, is the chairman of another body made up of himself, Judge Kinnear and Dr. Gustave Desrochers, which is dealing with criminal sexual psychopaths. We hope there will be a simultaneous report.

**Mr. Fulton:** Have you any indication as to when?

**Mr. Garson:** No, sir.

**Mr. Fulton:** Perhaps they do not know themselves.

**Mr. Garson:** Quite right.

Item agreed to.

*174.* Administration of the office of the commissioner of penitentiaries, including $40,000 for grants to recognized prisoners' aid societies, as may be approved by the treasury board, $375,296.

**Mr. Winch:** Could the minister tell us if there is any examination under way at the present time regarding some of the regulations in force in our penitentiaries? I fully realize that a person who breaks the law must pay the penalty and such persons must not be coddled. There is no question about that. But I do think the time has come for the revision of some of these regulations. I think they are a little bit too onerous. For example, I think an inmate of the penitentiary is allowed two letters per month. If a man is in a penitentiary for a considerable number of years it seems to me a little bit tough that he should be tied down to two letters a month, or three if he does not have any visitors for a period of four weeks. I have spoken to men in the penitentiary and they tell me they can send a letter to their wives, one to their mothers, and that is all. They cannot write their brothers, sisters, or others. I am wondering if there is any possibility of reconsidering regulations such as that and introducing some slight change for the better.

**Mr. Garson:** The hon. member must be clairvoyant because it so happens that that particular matter is under consideration at the present time.

**Mr. Nicholson:** The last time we had the minister's estimates before us he had a report on this twelve-year-old boy who is serving a two-year sentence in St. Vincent de Paul penitentiary. The hon. member for The Battlefords suggested that there certainly must be two sides to this story. The minister promised to get a report from his officers. I wonder if he has that report available?

**Mr. Garson:** Yes. I have it here somewhere. I undertook with my hon. friend from Mackenzie to get a report as to how this boy was getting along in the penitentiary. This is the report. I am not going to give his name, of course, or his number:

—has been transferred to the federal training centre on the 26th March, 1954, one day after his admission to St. Vincent de Paul penitentiary. Because of his youth and need of sympathy and comprehension he was given special treatment. A scooter was provided,—

That sounds rather extraordinary but I think those members who saw him in the penitentiary will realize that it makes sense in an exceptional case like this to provide a scooter for an inmate of a penitentiary. The report continues:

—he was given small toy trucks, a meccano set etc., etc.—and as it is known that every boy wants to be the owner of a dog, he was given a young pup. —is segregated from the older and wiser inmates—he has a room, all by himself, in the hospital wing, where he has contacts with the hospital orderlies. Takes his meals in the chief steward's office under the supervision of a trustee-inmate—works at light duties—goes to school and does much physical exercises in the gymnasium under the coaching and guidance of the P.T. instructor. Seems to have adjusted fairly well to his new mode of living and no doubt is better off here than any other place he ever went—

Then it is noted here by the conscientious officer that it was only the scooter that was paid for at public expense. The other playthings were supplied by voluntary contributions from the officers.

**Mr. Nicholson:** This report supports the opinion that I expressed here. I think the content of the minister's report would indicate that the young lad is really quite a promising lad. I am sure that he is now having a better time than he ever had before. I wonder whether the minister sent along the report he placed on *Hansard* the last time he discussed the matter? Would he indicate whether he has sent that report along to the officers at the training school and has asked them to comment on that sort of report.

The point I am trying to get at is this. Here is a lad who, I think, should not have been in the penitentiary at any time in his life. The fact that he has had this preferred treatment from the officers at the federal training school would indicate that they think he has the makings of a citizen. But as I understood the situation before, he would be a problem of the provincial authorities and, if he gets a long enough sentence, he becomes a problem for the federal authorities. I think that the report that was placed on the record before was certainly a very one-sided report. I wish at the same time the minister would ask his officers to comment on the sort of report that he placed on the record.

**Mr. Dinsdale:** On June 3, when the Department of Justice estimates were before the committee, I made a short statement on the problem of after-care of the discharged prisoners. I was glad to hear the minister say that recidivism has decreased to an encouraging extent since the new reform program was instituted. I just want to pursue the matter further at this time and to obtain some further details, if possible, as to how the problem of after-care is being met by the department.



First of all may I say this. Under this item 174 I notice that again there is $40,000 set aside for grants to recognized prisoners' aid societies as may be approved by the treasury board. I presume that that amount is divided among the three voluntary societies that were mentioned on June 3, namely the John Howard Society, the Elizabeth Fry Society and the Salvation Army. I wonder whether it is possible for the minister to indicate just what the percentage of distribution is.

**Mr. Garson:** I think perhaps my hon. friend's previous remarks were confined to a local situation, and that it would perhaps be more accurate if I were to give the figures for the whole of Canada.

**Mr. Dinsdale:** That is fine.

**Mr. Garson:** They are as follows for 1953-54: The Canadian Penal Association, Toronto, $1,500; the Canadian Welfare Association, Winnipeg, $3,500; the Catholic Rehabilitation Service, Montreal, $500; the Elizabeth Fry Society, Kingston, $250; the John Howard Society at the following places: St. John's, Newfoundland, $500; Halifax, Nova Scotia, $2,000; Moncton, New Brunswick, $1,000; Saint John, New Brunswick, $500; Montreal, Quebec, $1,750; Toronto, Ontario, $7,750; Saskatoon, $1,000; Calgary, $3,000; Vancouver, $3,250; Victoria, $750; la Société d'Orientation et de Réhabilitation, Montreal, $5,000; Salvation Army public service, Toronto, $2,000. That is a total of $35,000.

**Mr. Dinsdale:** I wish to thank the minister for that information. As he has indicated in those figures, the support is widely distributed across the country. I think any money spent in this way is used to the best possible advantage because from any knowledge I have of the problem the only facilities available outside the penitentiary for carrying out a program of after-care are provided by these voluntary groups.

I have one further question in this regard. The minister indicated that in the case of these prisoners coming up for discharge a trained psychologist makes a thorough examination of the case. I presume that when he uses the word "psychologist" he indicates that there is just one person engaged for this activity for all the institutions in Canada. I looked in the estimates and I note that there is a vote for one psychologist only. On this point, may I say that an employment circular was sent out from the remission service of the Department of Justice—it is competition number 54594, June 3, 1954—advertising for a clemency officer. I conclude that this is an addition to the staff and is in addition to

the psychologist who has already been referred to. Perhaps I had better complete my remarks on this topic while I am on my feet.

**Mr. Garson:** Might I answer these questions now? By doing so I will not overlook any of them.

**Mr. Dinsdale:** All right.

**Mr. Garson:** The clemency officer is not an officer of the penitentiary service at all. He is attached to the remission service, and he investigates and advises upon the exercise of clemency in remission matters. As regards the psychologist, I think my hon. friend from Brandon-Souris will find if he will look at *Hansard* that what I said before was that we had a psychiatrist in nearly all of the penitentiaries, and that we had likewise in each penitentiary an official who is called a classification officer but who is a trained psychologist. It may be that my hon. friend has reference to another psychologist who will come on the staff under the name of psychologist, but all our classification officers are university graduates trained in psychology, and we have them in addition to our psychiatrists.

**Mr. Dinsdale:** Perhaps I have misunderstood that point. I was looking specifically for psychologists and I could find a reference only to one. On the question of after-care, I am interested in the re-establishment credits that are available to prisoners. While voluntary organizations, particularly the Salvation Army, provide hostel facilities and so forth for the discharged prisoner, in the first few weeks following his discharge he is pretty largely dependent on any re-establishment credit he has built up during his stay in the institution. Has there been any increase in the per diem allowance within recent years? It was a very small sum. I should also like to know whether it is given in a lump sum or apportioned over a period of time so that the man will not, in the first flush of freedom, spend it on riotous living and get himself into further difficulty.

The same problem confronted the serviceman. There were various checks and balances on re-establishment credits so that the serviceman would make the best use of the money. In the case of a discharged prisoner the problem is of course all the greater. Finally, is it possible for the prisoner while he is in the institution to build up additional credits as the result of his work in the prison workshops and, if so, on what basis?

**Mr. Garson:** Every prisoner when he is discharged gets a suit of clothes and his transportation. Prior to 1951 prisoners were paid —it was not by way of gift at all—a flat five cents per day for the work they did while in prison. They had the privilege of spending a small portion of that. As a matter of fact there was not too much on which to spend it and the bulk of it would be saved against release. We felt that this was a rather inadequate wage. At the present time, as the result of a change made in 1951, 15 per cent of the penitentiary inmates are being paid a wage of 20 cents per day, 45 per cent are being paid 15 cents per day and 40 per cent 10 cents per day. The great bulk of this accumulates and since it is the prisoner's own money we do not hold it back over a period of time after his release. We give him the whole amount when he is discharged.

I think I should add that he is discharged under an arrangement made before his discharge between the classification officer and the prisoners' aid society in charge of his case, such as the John Howard Society, the Salvation Army. The employment service of Canada also are interested in seeing to it that he can get employment. Therefore although he has not much money he has a pretty good chance to become re-established, particularly with the assistance he gets both from the penitentiary officials and these other re-establishment bodies.

**Mr. Winch:** Actually when a man comes out of a penitentiary he has not a great deal of money. I am told that the average is around $25. While in prison he has to spend money for tobacco and other things which he can buy at the commissariat in the penitentiary. Everything possible should be done to encourage these men to build up their own resources because if they come out of the penitentiary with a sufficient amount of money there is only a small chance that they will go back to a life of crime.

I feel there is one way in which the penitentiary officials can give greater encouragement, and I should like to commend it to the attention of the minister. In my estimation the penitentiary authorities are doing a magnificent job at the present time in the encouragement of hobbies. I know that in the British Columbia penitentiary the work, attitude and encouragement of the officials are excellent. The men are responding, and they are taking to hobbies in such a manner that some very skilled work is being done. Unfortunately, however, they are up against the problem of really making any money out of their hobbies on account of the lack of a market. I understand that in the past organized labour has always objected to anything manufactured in a penitentiary being sold on the open market, but I fail to see why organized labour should be afraid of the

marketing of the quantity of hobby goods that would come out of our penitentiaries.

I should like the minister to give consideration to giving greater assistance to inmates in the marketing of their hobby products. I think it would give them a great deal of encouragement. It would enable them to have more money at the time of their release and to a great extent might provide them with trades which they could enter on being released. I have been asked in the past few days where I got this wonderful tie I have been wearing. It is a hand-painted tie. I have been asked by members where they can buy one. It came from the British Columbia penitentiary. It is the hobby work of one of the inmates, a chap who is serving seven years. This is not the first time he has been in the penitentiary, but now he is doing this beautiful work. Inlay work, straw work and needlework are also being carried on and some marvellous things are being done.

I am certain that what are hobbies to these men at the present time can become trades or professions if they are given a little more assistance in the marketing of their products. I hope the minister, with all his other duties and responsibilities, will see if more attention cannot be given to overcoming the problem of the marketing of hobby products.

**Mr. Dinsdale:** I believe that the work done in our penitentiaries extends far beyond hobbycrafts. The inmates engage in rather extensive furniture construction, shoe manufacturing and so forth. Can the minister tell us whether any of these products are disposed of to government departments? For example, public works uses considerable quantities of furniture and the armed forces use quite a number of shoes. If there is a problem in marketing these goods, as indicated by the hon. member for Vancouver East, it seems to me that might be a potential outlet. In my opinion the competition that might be provided by prison labour is greatly overexaggerated. I do not have the statistics, but I do not imagine that the total penitentiary population engaged in this type of activity would be more than 2,000. They do not work the full day because of the institutional schedule; they work only four hours a day five days a week. This would not represent a very formidable labour force, and yet it seems to me that they might find a ready market for their articles with some of the government departments. Just what is the situation in that regard?

**Mr. Garson:** I want to express my gratification at the remarks which have been made by the hon. member for Vancouver East and the hon. member for Brandon-Souris. One of the problems in providing genuine work for the inmates of the penitentiary, than which there is no greater rehabilitative agent —I mean real work and not just some make-work exercise that the prisoners do grudgingly—one of the great problems, I say, is public opinion which is opposed to having the production of prison labour come into competition with commercial articles. I am glad to have the members of the opposition express the views that they have expressed tonight.

The hon. member for Brandon-Souris is quite right in saying, and I think his figures are approximately right too, that our prisoners form such a small proportion of the total working force of the nation that the competition of their product cannot be very alarming. Actually, however, this product is surprisingly good; our production has gone up from some $600,000 to over $1,200,000, although there is included in that a lot of the goods and services which are produced by the inmates of penitentiaries for their own use. As minister I am very glad to have this expression of opinion because we are considering the matter at this time and the suggestions made by hon. members are very apropos.

With regard to the sale of the hobbycrafts, the prisoners may send their products to relatives or they can sell them to the officers or visitors in the prison. From time to time special sales are arranged by service clubs or John Howard societies, where the sponsorship of an organization of that sort invites public interest and avoids public criticism.

Item agreed to.

*175.* Operation and maintenance of penitentiaries, including supplies and services relating thereto; administration, operation, repair and upkeep of buildings, works and equipment; maintenance, discharge and transfer of inmates; compensation to discharged inmates permanently disabled while in penitentiaries, $8,497,572.

**Mr. Churchill:** I should like to ask a question concerning the employees in penitentiaries, and the number of veterans among that group. The total of employees appears to be 1,543. Of that number I should like to know how many are veterans? In the report of the commissioner of penitentiaries on page 9, dealing with appointments for the year 1952-53, there is a statement that reads as follows:

> During this fiscal year there were 244 appointments; eighty-two were veterans with overseas active service.

This means that in that year one-third of those who were appointed were veterans with overseas active service. Has the minister available the figures by institutions,

showing the total number of employees and the number of veterans in that particular institution?

**Mr. Garson:** I believe I should point out, Mr. Chairman, that veterans have the usual veterans preference in appointments to the staff of the penitentiary. If there are not more veterans on the staff than there are it is not through any policy on our part. It is simply because those who would be eligible under the veterans preference for positions in the penitentiary have not applied. I will give my hon. friend the figures he asked for in just a moment.

I am afraid I have not with me the totals for the whole staff, but the total number of veterans appointed from April 1, 1953 to March 31, 1954, is as follows—this is the total number of veterans by institution: Kingston, out of a total of 30, the number of veterans was 11; St. Vincent de Paul, 4; federal training centre, 10; Dorchester, 16; Manitoba, 11; British Columbia, 29; Saskatchewan, 6; Collin's Bay, 1; there was a total of 98 in the institutions and then 4 at headquarters for a total of 102.

**Mr. Churchill:** That is 102 veterans?

**Mr. Garson:** That is 102 veterans with overseas service.

**Mr. Churchill:** In giving the list the minister started in with Kingston and gave the total number appointed as 30, 11 of whom were veterans. Could the minister give the same figures for the other institutions?

**Mr. Garson:** Yes, certainly. St. Vincent de Paul, total 47; federal training centre, total 44; Dorchester, total 18; Manitoba, 18; British Columbia, 33; Saskatchewan, 19; Collin's Bay, 23; headquarters, 18.

**Mr. Churchill:** I accept the minister's statement, Mr. Chairman, that the veterans preference is recognized. From these figures it is obvious that quite a number of veterans are being employed. I hope that every care is taken to see that that is the case, and at no institution are veterans applications not received. Would the minister have any knowledge of any instance of applications of veterans not being received and dealt with?

**Mr. Garson:** Absolutely not, sir.

**Mr. Weir:** I should like to make an observation or two in connection with this item. I think we all appreciate very much the improvements that have been made in more recent times in so far as our penitentiaries are concerned, and more particularly the craftwork and the training of the inmates of the institution for useful occupations when they go back into civilian life. In our own penitentiary in Manitoba, those of us who have had the privilege of visiting the institution recognize the very valuable groundwork of training that is being done there in fitting these people to take their part in life when they get out again.

I happen to have in my hand another little innovation which I thought indicated a very useful effort on the part of the institution. It is the publication of a little pamphlet in the form of a monthly news bulletin known as the *Mountain Echo*. It is a well prepared booklet having to do mostly with the institution, the life therein and some of the personnel. I look upon it as a creditable effort, and one in which those who are associated with the institution, particularly those within it, can take pride. The publication is in my opinion something that should be commended.

Then I understand an effort has been made recently to introduce sports to these institutions. From what I can gather, and from the contacts I have had with the institution in Manitoba, this innovation has played a very important part and is well accepted by those who are there. When outside teams and competitors take part in the games the results are good not only for the institution but for those from the outside, in that it gives an opportunity to see just what the rules of the game are, and it also gives the opportunity for the participants from outside and inside the institution to meet each other.

However I have risen more particularly at this time to ask the minister a question concerning the hours of labour guards who are associated with the institution are obliged to work. I realize the government introduced a 40-hour five-day week in many government services, but that it did not apply to the penitentiaries. It may well be that it is not possible to do all this at once. But I do submit to the minister—and I hope he will keep this in mind—that in my view guard duty at penitentiaries is one of the most hazardous, if one may so describe it, one of the most dangerous, and certainly one of the most nerve-straining occupations in which one could indulge. And if any branch of government service is to be recognized as being entitled to shorter hours of employment, then I suggest the guards and others in the penitentiaries are in that position.

I recognize immediately that a project of this kind would go beyond the guards. At the same time it would have to include personnel who are carrying on training, and things of that nature. At the same time I believe it would be admitted that, after all, the guards have the greatest measure of responsibility, and are perhaps under the

greatest strain of any group in the institutions. I would hope that early steps could be taken to place them in the same position as others in the government service, so that they may have the advantage of the shorter hours of employment, and that such a program might be worked out in the not too distant future. I wonder if the minister could indicate any plans directed to that end, or if he would tell us what is being considered in this connection.

**Mr. Garson:** My hon. friend from Portage-Neepawa will recall that when the Minister of Finance announced the granting of the 40-hour week in the federal civil service he indicated at that time that there were some operating services in which it was not possible to introduce that provision. The penitentiaries form one of those operating services. One of the reasons as provincial governments have found is that, in institutions such as federal penitentiaries, provincial mental hospitals, provincial prisons and the like, up until the present time the difficulties of introducing the 40-hour week have proven to be insuperable, with the result that they have not been introduced in any of those institutions. I think it is likely that the introduction of the 40-hour week in our institutions would probably coincide with that in the corresponding provincial institutions.

**Mr. Dinsdale:** Mr. Chairman, I have one further question.

**An hon. Member:** Ah!

**Mr. Dinsdale:** Somebody over there is in distress.

I note at page 227 that considerable sums are set aside for construction, improvements and new equipment in the penitentiaries. In that connection I presume that, as is indicated by the heading, the new equipment concerns the extension of training programs. When the minister replies I would appreciate it if in a general way, and without giving too much detail, he would indicate the purpose for which this money is being used. I would ask him particularly to tell us how much of the vote is distributed between technical training and vocational training.

Contacts I have had with this type of work going on in the penitentiaries indicate that there is a substantial percentage of money for penitentiary training being used for the training of machinists, and that the investment in machinery is high. It is pointed out however that the enrolment in that particular type of work is low in proportion to the amount of money invested in the machines.

[Mr. Weir.]

In the institution I contacted the suggestion was put forward that perhaps the emphasis might be placed upon broader vocational training rather than training in a specialized category, and that the net results would be more beneficial. That is, it seems difficult to get a sufficient number of prisoners interested in strictly technical training as contrasted with other vocational opportunities. What is the situation?

**Mr. Garson:** I do not know where my hon. friend got the information that there is any difficulty in persuading prisoners to take, for example, machinists courses. I have been through the Collin's Bay vocational training school, and when I was there all these courses were up to their full complement. There were as many pupils as the instructors could handle. I believe that is typical. The equipment used in all the courses—plumbing, steamfitting, carpentry, masonry, machinists and the like—has been most effective in producing good results. I believe I am right in saying that the rate of recidivism is less than 15 per cent among those inmates who have taken these vocational training courses, and have subsequently been released from prison. This is a very low rate indeed when one considers that the percentage of recidivism among prisoners in the penitentiaries is up around 38 per cent in respect of previous penitentiary sentences and 77 per cent in respect of the service of previous terms in penitentiaries, reformatories or provincial jails sentences. Therefore, while this is a fairly large item of expenditure I think we get big dividends from it not only in the rehabilitation of prisoners but in the saving of future costs of maintaining them if they have to come back in prison again.

**Mr. Dinsdale:** I do not want to press this matter too closely. Are there any statistics indicating the numbers involved in the various trades?

**Mr. Garson:** Yes, my hon. friend will find it in the penitentiary report. If he has not one I will send him one.

**Mr. Churchill:** Just on the subject of education, I want to say one word. I will not delay the committee. Two years ago I discussed this subject and asked for more complete information with regard to the education of those who are in our penitentiaries. I note that more complete information has been supplied. I thank the minister for that. I do not for one minute think that it came as a result of my discussion in the house. I note on page 177 the complete list of excellent tables. Would it not be much better to show the recidivists by the same system as is

shown elsewhere. On page 177 the recidivists are grouped under school grades 1 to 13 rather than putting them into the more normal division of elementary and high school. I suggest that that is a change for another year.

**Mr. Garson:** I would be inclined to agree with my hon. friend, but those statistics are prepared by the dominion bureau of statistics.

**Mr. Churchill:** Pass the word on to them.

**Mr. Garson:** Fine.

**Mr. Macdonnell:** I want to ask a question by reading a sentence from page 12 which refers to overcrowding conditions. I understand that this has not been mentioned before:

Owing to the overcrowding conditions at these two institutions,—

The reference there was to St. Vincent de Paul penitentiary and Kingston penitentiary.

—transfers were arranged to Dorchester and Manitoba penitentiaries where more accommodation was available.

Will the minister say a word as to overcrowding? It seems to me to be a serious matter. I should like to know whether this is further taken care of, or are arrangements in hand to take care of it.

**Mr. Garson:** The answer to the question that was asked a moment ago by the hon. member for Brandon-Souris is that these moneys were being spent largely for buildings, and this is also the answer to the question which my hon. friend has just asked. We are providing in these estimates that are under consideration fairly substantial sums of money to increase our accommodation for prisoners.

The fact of the matter is that our penitentiary population reached its low point in 1943, at which time it was slightly under 3,000 inmates. It stood fairly constant until about 1946, and from that time started to increase, and has increased pretty steadily year by year, until as of April 30 of the present year it went over the 5,000 mark. We have had to receive these inmates, and house and care for them.

**Mr. Macdonnell:** Are these figures strictly comparable? Do they refer to exactly the same classes?

**Mr. Garson:** That is the total population of the penitentiaries, and that has presented a substantial problem because it is an increase of 66 per cent in a fairly short period. And that is one reason why we appreciate the suggestions of the hon. member for Vancouver East and the hon. member for Brandon-Souris about finding greater acceptance of the products of prison labour. We have not only to house those prisoners, we have to keep them employed at some useful occupation. This heavy increase in penitentiary population has come about notwithstanding the fact that we have been able to improve the rate of recidivism of those inmates who are discharged from the penitentiary. Usually it is not our own graduate coming back upon us. We have been holding down our own rate of recidivism; but as the rate of recidivism from our institutions went down the rate of crime in society generally has been going up.

One of the purposes of our commission on remissions is to see if we cannot by some different system of parole, not only remission in the federal field but also parole in the provincial field, have a smaller number of inmates in our provincial prisons or federal prisons to take care of in proportion to the total number of prisoners convicted. On the American continent we have as compared with Britain and some of the European countries a quite high percentage of prisoners who upon being convicted are sentenced to imprisonment in our institutions. If we were able by a new system of parole or remission to cut that percentage down it would be one way of reducing the prison population both in our federal and in our provincial institutions. As matters have been up to the present time, we have just had to accept this increase in persons sentenced to imprisonment in federal penitentiaries. We have had very little control over this ourselves. We try to keep the factors over which we have control in order. It is the factors over which we have no control which are not in good shape. As a result we have to accept these prisoners and make provision for them.

Item agreed to.

Royal Canadian Mounted Police—

407. Administration, operation and maintenance, $7,223,936.

**Mr. Fulton:** I have a question or two about this item. I understood that the Royal Canadian Mounted Police were acquiring a large building out here as a new headquarters at a cost of some $6 million. I do not find it listed anywhere under acquisition of buildings, works, land and new equipment, or under the administration item or anywhere else.

**Mr. Garson:** I am afraid that I cannot assist my hon. friend in that regard. We are the occupants of it as the mounted police, but the purchase of it would be arranged through the Department of Public Works.

**Mr. Fulton:** That is different from the other items in the minister's department. There

is a substantial amount provided for acquisition or construction of buildings and works for the Royal Canadian Mounted Police.

**Mr. Garson:** I think my hon. friend will see in the details that they are for the most part buildings and works for detachment headquarters, and residences for officers, scattered throughout Canada.

**Mr. Fulton:** The details are not given, but that is the explanation. It is being acquired by the Department of Public Works. Has the minister readily available information as to the total number of officers and men in the force and a comparison of the number of officers and men who are accounted for under this first item, headquarters administration, national police services, and so forth, and the number of men who are accounted for under officers and men under land and air services, and marine services.

**Mr. Garson:** The figures that my hon. friend wants are as follows: Headquarters administration, the present strength 335; national police services, present strength 97; training establishments, present strength, 540. The grand total of these, 972. Does that cover the point?

**Mr. Fulton:** That is the first part. I take it that the figure of 540 covers recruits undergoing training as well as the administrative personnel of this department?

**Mr. Garson:** Yes.

**Mr. Fulton:** Then I come to the other part of the question. Could the minister say the number of officers and men accounted for under the items for land, air services, and marine services? The total would do.

**Mr. Garson:** The present strength of the land services is 3,639; the air services 32; and marine services 210.

**Mr. Fulton:** I suppose the grand total would account for the pay figures.

**Mr. Garson:** No, there are other items. We have 455 civilian employees.

**Mr. Fulton:** But they would not be covered under the pay item dealing with members of the force.

**Mr. Garson:** They come under that total. There is another item covering 917 civil servants but they come in under a different primary. My hon. friend can therefore leave out the figure 917, but the remaining 455 civilian employees are included in the total he has before him.

[Mr. Fulton.]

**Mr. Fulton:** Are they stationed at headquarters or included in the land, air, or marine services?

**Mr. Garson:** I do not know what my hon. friend is looking at but if he looks at the grand total of pay for the forces then that will include all the items we have stated, namely, headquarters administration, national police services, training establishments, land, air, and marine services, and civilian employees.

**Mr. Fulton:** Then I will come to the reason for my question. I notice that under this first item, which puzzles me, details of which are given at page 474, there is an item listed for pay for members of the force amounting to $4,385,630. Then under item 409, details at page 476, there is an amount of $14,132,180 for pay for members of the force. And under item 411 details of which are at page 477 there is an item covering the marine services in relation to pay of members of the force, amounting to $900,151. My question was directed to the fact that the total pay for the headquarters staff members of the force is over one-quarter of the total for the land, air, and marine services. The total for the headquarters staff is $4,385,630 while the total for the services other than headquarters is approximately $15,032,000. Therefore more than one-quarter of the pay of the members of the forces is devoted to the pay of those at headquarters. That is why I asked for the breakdown because it occurred to me to ask whether that is not a rather high proportion of the total personnel of the force. It appears there is approximately one-quarter of the total force stationed at headquarters. I realize my comment might have to be modified and that this apparently includes the training establishment. That is why I would like to be certain that the figure of 540 is inclusive of all the recruits who are undergoing training and does not merely indicate administrative personnel.

**Mr. Garson:** I do not know whether my hon. friend has this breakdown before him but the total to which he refers does include 425 constables who are undergoing training. That is to say they are not included there in the training establishment, but from time to time there will be constables at this training establishment receiving training who would normally be elsewhere and that loads the headquarters payroll by the 400-odd constables who come to headquarters from time to time to take training courses in these training establishments.

**Mr. Fulton:** That is the factor which probably explains the high proportion who are

on headquarters strength. Now does this training establishment, whose strength has now been given as a total of 540, include those at the training establishment here in Ottawa, or does it cover whatever other training establishments there may be elsewhere? I understand there is a training establishment at Regina. Would that be carried on headquarters strength?

**Mr. Garson:** This item does exactly what it says. It covers training establishments at Ottawa or elsewhere. The main training establishment outside of Ottawa is at Regina.

**Mr. Fulton:** All attributed for this purpose to headquarters?

**Mr. Garson:** Yes. It includes two superintendents; four inspectors; one sub-inspector; one company sergeant major; eight staff sergeants; 19 sergeants; 32 corporals, 425 constables; and 48 special constables.

**Mr. Fulton:** What about recruits? Would they be included in the total for the purposes of pay?

**Mr. Garson:** The recruits are included in the 425 constables.

**Mr. Fulton:** One other matter in this regard which is common to the detail in all three of the main divisions deals with headquarters, and land, air, and marine services. I notice, for example, by reference to page 474 of the details with respect to civilian personnel that there is an item covering approximate requirements for increases in rates of pay amounting to $92,000. When it comes to pay of members of the forces amounting to $4,385,630 and other items relating to the force there is no provision for any increase in the rates of pay. I am wondering whether the increases in rates of pay which have been provided or are in contemplation are, in fact, confined to the civilian personnel?

**Mr. Garson:** As my hon. friend will recall from time to time during the period he has served here in the House of Commons there have been increases in the rates of pay of the members of the force; I refer to the actual constables, officers and so forth of the force. The increases applicable to officers and members of the force are so provided, whereas these civilian employees come under the civil service rates and have to be set up separately.

**Mr. White (Middlesex East):** Is the minister now in a position to give a statement or report on the Ipperwash matter?

**Mr. Garson:** Yes. I think I have that here, Mr. Chairman. As my hon. friend will recall, the question he asked is set out at page 5486 of *Hansard*. I do not think it is necessary for me to read that question into the record again. The report that I have with regard to that matter is as follows. It takes the form of a letter dated June 14, 1954, from deputy commissioner J. D. Bird to myself relative to the question which my hon. friend asked. It reads as follows:

> Re: Theft of stores from Department of National Defence (Army)—Camp Ipperwash, Ontario
>
> The news clipping from the *Free Press*,—

I suppose that would be the London *Free Press*.

> —dated April 30, 1954, and the page from *Hansard* of June 3, 1954, forwarded with your memorandum of 7-6-54, are returned herewith.
>
> A review of all reports on file at this headquarters which deal with this investigation, has been made. There is no indication that a civilian was stopped on a street to effect seizure of any article. The news clipping indicates that a Thedford man was stopped on the street and his shoes removed. We have no report of such an incident having taken place. Further, reports do state that on two occasions, civilians were found to be in possession of army footwear and, as they had no other shoes, the civilians were allowed to retain them until they were able to purchase others and then hand over the army boots to our investigator.
>
> This investigation is being conducted to ascertain whether or not infractions of the pertinent sections of the Criminal Code of Canada have been contravened (sections 433 and 439) and, in some cases, exhibits have been handed over voluntarily and, in others, were seized under the authority of a search warrant. We have no record of any case where one of these procedures was not followed.

That is to say, they were either handed over voluntarily—which would be quite lawful—or they were seized under the authority of a search warrant, as I correctly surmised when my hon. friend asked the question the other day. Hence there is no impropriety of any kind.

**Mr. White (Middlesex East):** I thank the minister.

**Mr. Blackmore:** I realize that the minister would like to finish these estimates tonight, Mr. Chairman. I am wondering whether he would rather go on with the other items and let me say what I have to say later on or whether he would rather let me say what I have to say now?

**Mr. Garson:** I have no preference, Mr. Chairman. If there are no other points that any of the other hon. members wish to raise, perhaps my hon. friend might make his remarks now.

**Mr. Fulton:** I have one or two items I want to ask about later on.

**Mr. Blackmore:** The minister was in the house this morning when I began asking the Prime Minister concerning his preparations to meet communism. My own feeling is that, as a nation and as individuals, we are not taking communism nearly seriously enough and that we are not taking anything like the measures we ought to take to cope with it. That is why I asked the Prime Minister those questions this morning. I think probably it might be well just to review those questions briefly so that we shall have them in our minds as I begin asking the questions I desire to ask.

I asked the Prime Minister first of all whether he intended to win the cold war. He implied that he intended to do so all right, but he did not say it as though he meant it very much, as far as I was concerned. This being so, what has he done in that respect, since last August 10, designed to win the cold war? The Prime Minister did not get around to answering that question at all. I should like to know what the Minister of Justice would say with respect to that matter. If I conceive the matter aright, the minister is the custodian of the internal security of Canada just as the Minister of National Defence is the custodian of the external security of Canada. If the minister disagrees with my conclusions in any of these respects, he might tell me so. Is that not a satisfactory way of putting it?

**Mr. Garson:** Yes sir.

**Mr. Blackmore:** Then we shall proceed on that basis. If that is the case, one would naturally conclude that the Minister of Justice would have charge of moves made to offset the attack of communism. In other words, in the cold war he would not be remaining just on the defensive. He would be counter-attacking and he would be able to give us the measures which he had used in the counter-attack. He would also be able to give us some idea concerning the success or the lack of success of his attack. I may be all wrong, Mr. Chairman, but I have not been able to find a single measure on the part of Canada that could by any stretch of the imagination be looked upon as a Canadian attack. We just seem to be sitting here in Canada like a lot of sitting ducks and to be letting the communists blaze away at us with all their methods of propaganda, shedding the shot as best we can and hoping that we shall be able to survive the last one. That is just the impression that Canada gives me. I hope I am wrong but I am afraid I am right. I should like to open up that whole matter and to have the minister talk frankly to us as he likes to do. I admire the way the minister talks frankly to us and takes us into his confidence. I should like to hear from him. I am really anxious about this whole thing.

I asked whether the Prime Minister had had brought to his attention the communist over-all plan. The communists never stop. They have never stopped since 1917. In fact, the people who built up communism before 1917 were at work for many generations before that time. They never miss a trick. They never lose a play. They never stop. Long before they have won one victory, they know what the next victories are going to be and where they are going to strike. For example, I point to Guatemala. I imagine that they had the taking over of Guatemala all planned five years ago. I just hope that they are not planning on taking over British Columbia next. Certainly they have the stage all set for British Columbia next. That is just how close danger could be to us, I am afraid. Of course, I am not reflecting on the vigilance of the people in charge of British Columbia.

But later in the course of my remarks I probably will refer to a rather alarming article which appeared in the *Financial Post* of December 12, 1953. I think I will send it to the minister. Has he seen it? Then I take it he knows what is in the article. It certainly spoils a person's sleep for several weeks to contemplate that. That article says that there are 90,000 communists in British Columbia, and they are probably all ready to march. The writer of the article says 90,000, and in a general way I think he is not a man who should be disregarded.

Therefore I am afraid the Prime Minister would have to say that he had not done a single thing since August 10 to meet this situation. He did not know anything about the communist over-all world plan and he had not done anything to meet the offensive which is coming into Canada constantly from communist countries in the form of a cold war. I asked the Prime Minister also what specific measures he has taken to offset communism in Canada. How much does he know about the state of affairs in Canada?

I asked him particularly about three matters. What has he done to find out what are the techniques that communism has employed; what is the degree of success that communism has attained in Canada, and what are the possible means available to Canada to combat communism in Canada? I am afraid the answer to every one of these three would be just plain nothing. If that is the case, then probably the responsibility rests on the minister.

If at any time he wishes to put me right as I go along I will welcome his speaking

because I have no desire at all to misrepresent the situation as it is. I have all respect for the minister. Then I asked: Does the Prime Minister know specifically what is the communist line in America for 1954? I pointed out that if a person knew what their line is in 1954 he would be able to tell when anyone spoke supporting that line. If anyone should speak supporting that line we would say at once, "That fellow is a communist, he will bear watching".

I asked the Prime Minister if he knew what the communist line was in 1953. There has been a change. They change their line every once in a while just like skilful players of chess, checkers or any other game. As a matter of fact, the communist high command just plays across the world like a skilful performer playing the piano. It just has us so completely dazzled, so completely bewildered that we do not even know what is going on. All we know is that something is happening to us but we have not the slightest idea what is causing it or how it is being produced. In many cases we blunder right into their line and help them just like a person playing checkers who jumps his own man. That is my general impression with respect to this matter.

I wanted to give the Prime Minister an idea of the sort of thing with which he is confronted here in Canada. I offered to read a passage from a broadcast in May and to comment on that broadcast. I want to be perfectly fair in every way both to Canada and to the man concerned. The other day I asked the question: Who selected J. B. McGeachy to be on the speakers' list of the C.B.C.? There are several reasons why I asked that question. As hon. members will recall, I did not accuse Mr. McGeachy of being a communist. I did not accuse him of being disloyal. Some people try to make out that I did but I did not. But I was concerned. Let me read a short passage from his broadcast of May 9 as it was monitored to me. There may be errors in these words but I think they are accurate. Those who got them got them pretty accurately. He is talking about the Indo-China situation at a time when we were all greatly concerned about Indo-China and wondering if there was not something we could do to stop the progress of the Chinese communists, representing the Russian communists, into Indo-China. Here is what he told the Canadian people:

> But without going in for prophecy, I will venture these opinions: First, that the best result to be hoped for in Indo-China is an armistice, followed by some compromise arrangement which, if possible, will give the Indo-Chinese a chance to decide what form of government they prefer; and second, that the west must come somehow to terms with, and live with, the Asian social revolution—

Notice the words, "social revolution", which it is not.

> —whether it takes a communist form or, as in India, Pakistan and elsewhere, a non-communist form. No amount of military force exercised by the west will decide, from this day forward, the destiny of any Asian state.

May I tell the house how that affects me. In the first place, we were hoping to contain communism. I do not think there is anyone in the house who relishes seeing China extend her control to all of southeast Asia, including India, Pakistan and Burma, and then to Japan, Malaya and the Philippines. Is there any person in this country who would contemplate a prospect like that with equanimity? Is that not exactly what this man is suggesting?

**Mr. Michener:** On a point of order, as I understand it we are dealing with the estimates of the Royal Canadian Mounted Police. As far as I know their jurisdiction does not extend to southeast Asia, and it seems to me—

**Mr. Blackmore:** I did not get the last words.

**Mr. Michener:** The jurisdiction and responsibility of the Royal Canadian Mounted Police do not extend to southeast Asia. If we are to finish these estimates tonight, I suggest that we stick to the point. Not only is the hon. member out of order but he has made some highly improper aspersions against a very reputable journalist by the name of McGeachy who is a person known to many members of the house, and such aspersions are resented.

**Mr. Blackmore:** I hope the hon. member, being a new member, learns better how to interpret what a man says than he has during this session. I have made no aspersions against this gentleman.

**The Deputy Chairman:** Order. A point of order having been raised at this time, I think perhaps I should indicate my reaction to the point of order of the hon. member for St. Paul's. The remarks of the hon. member for Lethbridge have been causing me some worry because I did not want to interrupt him. I believe that it is my duty as chairman not to seek ways and means of ruling a member out of order but to so interpret the rules of the house that he is not hampered in what he has to say. However, it is perfectly correct that the item before the house is the Royal Canadian Mounted Police.

It is my understanding that the physical combating of communism in Canada is in the hands of the Royal Canadian Mounted

Police. Therefore the hon. member for Lethbridge is entirely within his rights in discussing the combating of communism in Canada. I cannot help but agree that so far as we are aware the Royal Canadian Mounted Police have nothing to do with the combating of communism outside of Canada. Therefore when the hon. member for Lethbridge gets into countries far afield he might perhaps be in order under the Department of External Affairs but I cannot agree that he is in order under an item dealing with the Royal Canadian Mounted Police.

I think that the members of the committee are anxious to give the hon. member for Lethbridge a chance to say what he wishes to say in connection with the problem in Canada. If the hon. member will confine his remarks to Canada, I will do what I can to ensure that he proceeds uninterrupted.

**Mr. Blackmore:** Mr. Chairman, you have established a most enviable record for fairness in the past, and I am sure you will do the same tonight.

**Mr. Michener:** Would the hon. member permit a question, Mr. Chairman, which I think will clear up the whole matter. I may have misunderstood the hon. member, and I am glad to accept his statement, if I understand it correctly, that he does not cast any reflection on Mr. McGeachy in what he is saying tonight.

**Mr. Blackmore:** I made that clear. How many times does a person have to say that in good plain English before it registers?

I believe you were not in the chair, Mr. Chairman, or perhaps not in the chamber when I raised this matter this morning when the estimates of the Minister of Justice were opened. It was understood at that time I would be discussing the cold war, the whole struggle of the cold war and not necessarily in its relation to the way the mounted police would exercise their function in the country, so that would give me considerable latitude in order to reach out and deal with the communist question as a whole.

Now, it was to clear myself for that kind of attack that I pointed out to the minister, at the outset of my remarks, that as I thought the Minister of National Defence was responsible for the external security of Canada, the Minister of Justice was responsible for the internal security. May I now proceed to discuss the cold war? I believe that everyone will recognize that when Indo-China was attacked it strengthened the hands of communists in Canada and weakened the hands of those opposed to communism. Every one of these moves that I have indicated, the fall of the rest of eastern Asia, the fall of Japan, the fall of Korea, would certainly be steps in the cold war that would win victories over the people of the United States and of Canada.

I believe that with these considerations I am quite in order in the way I am proceeding. I would be glad to hear if the minister thinks I am not, but I cannot see how one could deal with communism and the cold war without looking upon it in a global way. After all, every move that they make is designed to accomplish a certain objective. If I, in your judgment, Mr. Chairman, begin to err as I go forward then I wish you would call my attention to the fact. I have no desire to do that, but I do have a desire to meet this problem of communism as a responsible member of the Canadian House of Commons in this fateful year of 1954 ought to do, having in mind that there are 15 million people in Canada who are dependent for their security upon us. I do not want to see a Guatemala in Canada or in any part of Canada.

Now, if I may proceed, I shall deal with the question of Mr. McGeachy's speech. I should be glad if the hon. member who raised the question would follow now, and if I seem to be casting any aspersions on this hon. gentleman I shall be glad to hear it and to modify my remarks. I have no desire to hurt anybody. My opinion is that Mr. McGeachy had no intention whatever of following the communist line in this speech, but I believe he was following the communist line in this speech. This is what I gather from this speech. His statement from, "without making any prophecy . . ." down to ". . . any Asian state", constituted an announcement to Russia and China that the green light is turned on. They are free to go ahead and conquer Japan, Malaya or the Philippines because we cannot stop them, and we have to learn to get along with all these people if they rebel under the direction, and with the assistance, of China.

In so far as Syngman Rhee and Chiang Kai-shek are concerned we are abandoning the freedom of their peoples by announcing there is no hope. To the United States it was an announcement that she should stand alone. If she wants to go over there and stop the Chinese, well and good; it is her lookout and we are not having anything to do with it. To all freedom-loving people in southeast Asia, and there are plenty of them who took part in the struggle in Indo-China, it amounted to this: you better make terms, boys, because you are going to be under the communists anyhow and there is no use getting them angry. To all the people of Canada it amounted to saying it is very

little concern of ours. To communists everywhere it amounted to saying: full steam ahead, boys; the sun is shining, so make hay.

Moreover, all through this passage ran two implied falsehoods. I am not saying that Mr. McGeachy intended them to be falsehoods but I am going to point them out and let hon. members draw their own conclusions as to how he should have made these two mistakes. He implied quite clearly that communism is a revolution. Communism never has been a revolution. From the beginning it has been a conquest by a conspiracy of men who went from the United States in large measure, were financed from the United States, and went across to Russia and beat down the Russian government. They established control and extended their control over Russia and from Russia to where we see them now. To call such a movement as that a revolution is to misuse the word "revolution".

The second error was even to suggest that communism may ever be satisfied with less than world conquest. We have made some terrible mistakes as American people since 1945 because we persisted in believing that somehow, somewhere we could get Russians to be satisfied, sit down and live peacefully. They have no thought of doing that. They take every move as a beachhead from which to make another move. They have told us over and over again that they intend to conquer the world. Why could a man like Mr. McGeachy make two such blunders as that, and why would the C.B.C. employ a man who would make blunders like that? You have these two blunders going to the people all over Canada and down into the United States as far as his voice would carry. I believe that is altogether different from the way it ought to be.

Perhaps I should give some evidence against the idea that communism is a revolution. May I read this very small excerpt from the economic council's letter in the United States dated April 1, 1954, letter No. 332. I read these words:

> The U.S.S.R. is not a world power in the sense we have always thought—a government naturally looking out for its own interests but maintaining certain general standards of honour and integrity in international dealings. Rather, this Soviet government is nothing else than a gang of plotters who succeeded in the confused days of 1917 in making itself master of Petrograd formerly St. Petersburg, now Leningrad and extending that mastery to all of Russia.

May I interrupt now to ask if there is any hon. member in the house who can offer any reason why that statement is not absolutely correct? It is entirely in accordance with all the evidence that has come down to us right from the time that the United States conducted their most searching inquiry into communism in 1919, when they were so close to the event they could name all the people who took part.

The next paragraph reads this way:

> And now with the astounding assistance of the United States, it controls most of the Eurasian continent. It threatens to take over all southeast Asia, Japan, the Middle East, Italy, even France. It has a third of Germany under its inhuman control. There is not a country in the world, including the United States, that is not threatened with subjugation.

I do not think anyone would seriously question the accuracy of that statement. The people who prepared this letter are generally very careful, scholarly and reliable in what they say. And as I said, the information I have concerning the whole communist conspiracy bears out exactly what they say. In the light of that I ask whether J. B. McGeachy was following the communist line. He was saying just exactly what Russia would like him to say. He was giving comfort to the enemy, and in great volume. He was saying what every communist in the world would like him to say. And he was demoralizing every person opposed to communism who heard him, and making us feel unhappy.

Now, that is just one simple little illustration of the cold war, and the methods which Russia is using. People say: "What! Do you say Mr. McGeachy was an agent of Russia?" Oh, I would hate to say that, but there may be men in Canada with a good deal of power who have much more sympathy with Russia than they have with Canada, and those men could have had a lot of influence in getting that man put on the C.B.C. list of speakers. That is as far as I will go in that respect.

Then, before I finish what I have to say tonight, I wish to place on record a statement which apparently is authentic and which shows what the plans of the Chinese and the Russians are, right from here to 20 years from today, when they are confident that they will be ruling the world, including us. But I will come to that after a while.

**Mr. Fulton:** Oh, do it now.

**Mr. Blackmore:** I will ask the minister if he agrees that we are in a fight to the finish against the communist conspiracy that rules Russia. I do not believe the minister will say under the circumstances that we are not. Very well, if we are in a fight to the finish, we are spending $2 billion a year preparing our army to go and fight. I said to the Minister of National Defence the other day that it was just simply idle to spend all this money in preparing the army if we are going

to allow ourselves to be beaten through the back door and the basement window. And that is exactly what we are doing when we turn a man like J. B. McGeachy loose on this country, through the C.B.C. Speeches like this—and certainly he has given others though perhaps not as bad as this—but a speech like this I think everyone will agree should not be allowed; and it will be agreed that I have not put an unfair interpretation upon it, especially as it was delivered on May 9.

And now may I read a statement coming from an exceedingly valuable book. I hope the minister has read it, but as he is a very busy man perhaps he has not had time to read it. I hope he will have a very dependable man in his department read the book and study it with the utmost care. I refer to "The Iron Curtain Over America" by Dr. John Beaty, published in 1952. I imagine this book is the most pertinent one bearing on what we are talking about tonight. Dr. Beaty says this in his introduction:

> Only an informed American people can save America, and they can save it only if all those to whom it is given to know will share their knowledge with others.

That is all I am trying to do tonight, to share the little knowledge I have with others. This book, by the way, was published in 1952 and Dr. John Beaty is one of the finest scholars to be found anywhere in the world on this particular subject. He is an American who has had a most impressive career.

Now may I give an outline of the communist aims, as they are contained in a document which was read into the *Congressional Record* by Senator Knowland quite recently. He is not sure this is authentic, but it bears all the evidence of being authentic, and would appear to be the work of Chou En-lai, who is one of the master minds of China, and one of the master minds of the world today. This statement, by the way, is to be found at page 2 of the Ottawa *Journal* of June 1, where hon. members may read it if they wish. These are the steps Chou En-lai, or whoever wrote this document, says will be followed:

> 1. We will avoid war until victory is certain.

How long will we have to avoid war before victory is certain if China goes on and takes over all of Asia, including Japan with her 87 million people and her wonderful productive potential?

> 2. Isolate the United States by all possible means.
> 3. Britain must be placated by (a) the possibility of settling major issues,—



And that is what is troubling them today—the possibility of getting these people to be satisfied.

> —(b) opportunities for trade, which Britain sorely needs.

Britain is not like us, possessed of rich resources. She has to trade to live. If we will not trade with her, she must trade with the east. And the sooner we understand that in America, the better.

> 4. France has to be influenced by war-weariness and fear of Germany.

France is going that way right now, isn't she?

> 5. We will liberate Indo-China.
> 6. We will liberate Burma next.

As though Burma needed liberating!

> 7. We will liberate Thailand next.
> 8. The whole of Indonesia will be in the hands of communists by 1960.

In the light of the progress they have been making recently, that does not look extravagant, does it?

> 9. Japan will capitulate after peaceful revolution backed by force by China and the Soviet union.

All we have to do is bear in mind the very serious difficulty Japan has with her 87 million in those restricted islands, with the small empire she once had now taken away from her, the extreme difficulty she has in securing the means to live. All we have to do is keep those conditions in mind with respect to Japan, and we will see what must almost certainly happen to her.

> 10. If war can be averted the success of our plans for other parts of Asia is almost assured. This task will be completed in 1965.
> 11. Then would follow a wave of revolution throughout Africa.

We do not put that beyond the realm of possibility, do we?

> 12. Total economic collapse in capitalistic western Europe would follow as soon as Asia and Africa are disconnected from western Europe.

They would have no place to sell their goods, nowhere to buy from, and being capitalist, they would think they could not live. Then western Europe will capitulate and fall to communism.

> 13. With the fall of western Europe, remaining capitalist countries will face economic collapse and industrial breakdowns.

That may sound extreme until one looks at the pathetic spectacle that Canada and the United States are making right now in respect of wheat. Because we cannot sell wheat abroad, we fear we cannot live! We bring down the price of our wheat. We begin to create a price cutting panic. We would simply have to sell abroad! If we could not

we would have to sit down, droop our shoulders and cry because we could not sell it.

**Mr. Habel:** What has the R.C.M.P. to do with that?

**Mr. Blackmore:** The point is that if we cannot manage our affairs better than that, we should be able to. And surely the hon. member, who has been a member of a legislature—

**Mr. Habel:** May I ask—

**Mr. Blackmore:** May I finish my speech. Then this hon. member will answer any question the hon. member wishes to ask.

**The Deputy Chairman:** Order. Will both hon. members resume their seats, please. The hon. member for Lethbridge who has the floor can be interrupted only with his own consent, which he will indicate by resuming his seat and which he refuses by not resuming his seat; unless some hon. member rises on a point of order or of privilege, which I will then hear. The hon. member for Lethbridge.

**Mr. Blackmore:** Thank you. May I say to my hon. friend—he is new to the house and I want to be courteous—if he wants to ask a question, just rise and say: Will the hon. member permit a question? Let me finish the statement, and then he can put his question. That is the only sensible way of going about it. I was just pointing out the fact that our wheat experience right now is one of the clearest evidences of what would happen to the whole of America, including Canada, if being orthodox in our monetary thinking, we could no longer sell our production abroad to Europe and other foreign parts. We just have not learned how to distribute our wheat. We shall not be able to maintain ourselves any longer, we will think, although we are one of the richest areas on earth! Surely the hon. member can see that. That is in accordance with hard economic facts.

**Mr. Garson:** I wonder whether the hon. member for Lethbridge would permit me to interrupt, if I may use that word, his very interesting speech, to give him the answers to the questions he asked.

**Mr. Blackmore:** I will be very glad to.

**Mr. Garson:** And he may resume his speech afterwards.

**Mr. Fulton:** No.

**Mr. Blackmore:** Let me finish with Chou En-lai, so that we shall have the whole thing together. The fourteenth point: Canada and South America will find themselves in the same hopeless and defenceless condition. Twenty years from now, that Chinese statesman says, the world revolution will be an accomplished fact.

I shall take the hon. member's question if he would like to ask it.

**Mr. Habel:** It is not for me to defend the mounted police. The minister is much more capable of doing that than I am. This is my question. Has the hon. member had any dealings with the mounted police in regard to communist activities?

**Mr. Blackmore:** Of course I do not see just what bearing that has on the point I am dealing with now.

**Mr. Habel:** If the hon. member has any information to give to the mounted police he has only to do as I have done at different times and he would find them to be most co-operative and in fact ready to act at any time. I can relate one circumstance where the parish priest in my riding—at that time I was a member of the provincial house—was very much worried about the activities of one man in his parish, a newcomer in fact. I met the mounted policeman who was at that time stationed at Timmins. I asked him to stop on his way back at that place and see the parish priest. He had no sooner walked into the parish priest's house than he was greeted by the parish priest and he said: "Most likely, Reverend Father, you are going to ask me about Mr. So and So." The parish priest was really surprised. He said: "Yes, that is exactly the case." The policeman said: "You need not worry; we know all the facts about that man; we are following every move he makes." I can tell the hon. member it would be far better for him to give any information he has to the mounted police. By so doing he would certainly serve his country better than to try to start in this country what other countries have tried to do by throwing smears on everybody in the country.

**Mr. Blackmore:** In the first place, "the member" did not try to throw a smear at anyone, and I challenge the hon. member to show that I did. I am telling the absolute truth, not smearing anyone. If the facts are smearing a man, it is his own fault.

The next point is this, if the mounted police are as magnificent a force as the hon. member believes they are, and I believe they are too, why not give them the ghost of a chance and not have propaganda coming in here making their work many times more difficult? Surely, there is a limit to the endurance of any force of men! I am merely pointing out the terrible dangers that confront us, and which will probably run right on

if we do nothing to offset them. The hon. member will be lost before he will realize what is happening.

**Mr. Garson:** First of all, I want to express my appreciation to the hon. member for Lethbridge for the very very kind and rather unusual action on his part in allowing me to interrupt his remarks to answer the questions which he has asked. As the hon. member has correctly stated, the responsibility of the special branch of the Royal Canadian Mounted Police and of myself as the minister in charge of the Royal Canadian Mounted Police is the internal precautions against communism in Canada. Those internal precautions have already been the subject of reference in the debate on the justice estimates previously this session. I made a statement then in reply to the hon. member for Vancouver East, which I should like to repeat now because I think what I said then is precisely relevant to the points which the hon. member for Lethbridge has been raising this evening.

As I understand the hon. member he wants to get an answer to these questions. He asked:

> What specific measure has the Prime Minister—and in that connotation I include the Prime Minister, the government and the mounted police—taken to offset communism in Canada?
>
> (a) In discovering what techniques communism is employing?
>
> (b) What is the degree of success communism has obtained in Canada?
>
> (c) What are the possible means available to Canada of combating communism in Canada?

I pointed out when this matter was before the committee previously that what we were discussing in questions like these was the practice of espionage and counter-espionage, and I said that I was sure hon. members upon the least reflection would agree that it would be a grave error indeed to discuss here any of the activities of the special branch of the mounted police and especially to admit or deny any allegations of sometimes irresponsible people claiming to have been in our employ in counter-espionage. I said, and I now quote directly from *Hansard* at page 5464:

> We are all aware that the practice of espionage and counter-espionage, the contest between enemy nations to secure and to prevent the securing of intelligence involves the building up, as completely as possible, of a large mass of information; and oftentimes the answer in the affirmative or negative to some simple statement of fact may be the last item needed to complete the general pattern of, if I may use that figure of speech, the jigsaw puzzle which the intelligence department is trying to put together; and this last simple answer may finally determine what that whole pattern is.
>
> In counter-espionage work there is therefore only one safe policy to follow, and that is the policy of complete reticence about our counter-espionage and complete reticence in respect of the espionage against which we are trying to protect Canada. It



> is for that reason that we have consistently refused to say anything with regard to the allegations of gentlemen like—

A certain gentleman whom I then named; and it is for that reason, Mr. Chairman, that I am sure my hon. friend, the hon. member for Lethbridge, would be the last man in this house to take any action or to ask any questions the answers to which would give any aid or comfort to the communists whether inside or outside of Canada. I pay him that tribute.

But I think the hon. member himself will agree upon reflection that if we were to discuss in this house the techniques which communism is employing, and made disclosures as frank as those disclosures I like to make in relation to other branches of the Department of Justice, there is nothing in the world that would be more helpful to the communists than to know precisely how much we do know about them and therefore by inference what we do not know. No one would be more happy to have this information than the communists themselves.

In the same way, if we were to indicate the opinion of our experts in the special branch as to the degree of success communism has attained in Canada—and we think we know something about this matter—then that information disclosed in this house would be carried thence in the press of the world. What action could we take which would help the communists more than that?

If I were to answer the third question as to what other possible means are available in Canada for combating communism in Canada I would be giving away our whole program of counter-espionage and by that means largely destroying its usefulness. It is for that reason and that reason only that I must reluctantly refuse to answer the questions my hon. friend from Lethbridge has asked. Even after what I said the other day in this debate upon the Department of Justice estimates in reply to the hon. member for Vancouver East, I have not reached that conclusion nor did I reach that conclusion with regard to the specific questions asked by my hon. friend, until I had again conferred, after my hon. friend has asked questions of the Prime Minister, with the high officials of the special branch of the Royal Canadian Mounted Police. This is the opinion which they expressed with regard to the specific questions asked by the hon. member for Lethbridge:

> Upon a study of (a), (b), and (c)—

These were the three branches of my hon. friend's question.

> —it becomes very apparent that they are all-embracing and if answered would supply intelligence to not only communists themselves but to

foreign powers, and as we know that both the communists and certain foreign powers are continually attempting to procure this type of information,—

And may I say, Mr. Chairman, that I think pretty largely unsuccessfully.

—we deem it most inadvisable to supply this to them, in even the barest detail. It is, therefore, suggested that the question be answered along the following lines:

And they suggested the type of answer which I am now giving. I must say, Mr. Chairman, I have always admired the frankness and candour of the hon. member for Lethbridge and I am temperamentally disposed to be frank and candid myself. I would have very much preferred to have given him a detailed answer on all these questions but I am sure he will agree upon reflection that to do so would certainly not be in the best interests of Canada.

Now, if I may, while I am on my feet, I think I should discharge an act of friendship to a gentleman whose name has come into this discussion. The gentleman to whom I refer is Mr. J. B. McGeachy. I have known him for many years. Indeed, I know him better than I know the hon. member for Lethbridge and I have known the hon. member for quite some time. I knew Mr. McGeachy when he was a reporter and editorial writer on the Winnipeg *Free Press* back in the 1930's. He afterwards became a very distinguished member of the staff of the British Broadcasting Corporation and on his return to Canada he has had an equally distinguished journalistic and broadcasting career here. One does not have to agree with all of his utterances to be sure that those who know him as I do would agree that he is not disposed to favour communism. As one who knows Mr. McGeachy I can say that whatever my hon. friend may say about his views, Mr. McGeachy is certainly not a communist by any stretch of the imagination. He is a good, loyal, intelligent Canadian and while my hon. friend from Lethbridge may not agree with all of his opinions I do not think that that warrants any accusation of him being in any way disposed to favour the communists or communism.

**Mr. Hansell:** I hope the hon. member for Lethbridge will not mind if I say a few words at this juncture. I do not want to interrupt the continuity of anything he might wish to say, but I would like to say briefly that I listened with a good deal of interest to the minister's reply and I would sum it up by saying that the minister seems particularly responsible for matters that might be stressed in terms of physical sabotage, and that the R.C.M.P. is certainly doing a good job in preparing information and warning the government of what is going on particularly in a physical sense. Perhaps they know everything that is happening within those organizations in which communist card holders may be at work. They are ready to pick up anyone who may sabotage a piece of machinery, or something of that kind. But it seems that some of us are not quite satisfied with government action in another field of sabotage and that is in the sabotaging of our minds and our moral standards, and action in helping to prepare the people to withstand the onslaught of communist propaganda which might come from innocent sources.

The name of a certain reporter has been brought into the discussion. Fortunately or unfortunately it may be a matter of interpretation, and it is true that the discussion could have taken place without any names being brought into the picture. But just as sure as I was born if the hon. member for Lethbridge had read some extract from a speech given over the air someone would be bound to rise and ask who gave the speech, so there is little difference. It might come from an innocent source but the fact remains that there is a process of conditioning going on, a conditioning of the mentality of our Canadian people to accept the enemy as they attempt to come in by the back door, and some of us are not satisfied that the government is taking appropriate steps in that respect. That is something you cannot handcuff. You cannot handcuff an idea. The only way you can meet it is with a counter-idea and we are not satisfied that that is being done.

The minister could have answered on behalf of the mounted police along the lines I have indicated. We are all free to say we believe they are doing a good job, but it is this other angle about which we have so much concern. You can have sabotage by the back door method just as easily as you can have it by the blowing up of a few factories, and more so. That is where the greater danger may lie in this whole thing.

I hope the hon. member for Lethbridge will excuse me for just butting in at this particular point.

**Mr. Blackmore:** Mr. Chairman, the hon. member for Macleod has made it unnecessary for me to answer the minister. I think he has done an admirable job. He has put the situation in just exactly the way it needs to be put. I will just refer to the question of Mr. McGeachy since he has been mentioned. I am sure all that I have heard about him indicates that the estimate made by the

Minister of Justice is exactly right concerning him. I am satisfied that he is an admirable gentleman, although I have never met him. I hope to meet him some day and to have him as a good friend.

I would say this to the minister. In the first place, if there are speakers like Mr. McGeachy who are following the communist line, maybe unwittingly, over the radio, surely the government should know enough about what the communist line is to be able to detect all these speeches which are along the communist line and cause them to be modified; or if it is deemed wise that such speeches should be given, why not have speeches too that will answer them?

**An hon. Member:** Who will censor them?

**Mr. Blackmore:** We can easily find people to censor them. I am sure the hon. member can ask questions which are much more worth while than that if he tried to do so.

What I have said concerning this passage from Mr. McGeachy's speech I believe will stand up flawlessly under the interpretation which I have placed on it. There will be no answer to what I have said. Coming as it did, it was comfort to the enemy in every respect. That speech could have been answered by another speech by some other gentleman putting forward the other point of view. That is a measure that the minister might have mentioned, but did not mention.

I thank the minister very much for the interpolation. I think I will now follow on and give some other considerations which I believe to be of tremendous importance at this time in Canada. Certain it is that regardless of all that we may say we are losing the cold war. I think there is not a responsible member in this chamber who will not agree that we are losing the cold war.

**An hon. Member:** That is comfort to the enemy.

**Mr. Blackmore:** That is true. It is comfort to the enemy. But we may just as well confess it and then try to do something about it.

The next thing is this. We won world war II. We poured out blood and treasure. We won it. But certain people inside the administrations of the nations that won the war threw China into the hands of the enemy and put the whole body of freedom-loving nations in a position where it is doubtful that we shall be able to survive. That is a terrible thing. For us to contribute to that process any further borders on simple foolhardiness. We simply must do something to change all that.



May I now go on commenting to some extent on certain other aspects of this question as I see them. There are three main aspects of the fight against communism. In the first place, we have to deal with spying. Then we have to deal with sabotage. Then we have to deal with propaganda which influences public opinion and shapes our policies. I think the hon. member for MacLeod did fairly well with regard to the subject of sabotage and its danger.

As far as spying is concerned, may I say that although the minister thinks that Russia does not know our secrets, I doubt whether we have in Canada a secret that Russia does not know better than we know it. When ministers of the government tell us that they do not want to let us have information because the enemy will get it, I often think that about the only people in the country who do not know it are the Canadian people generally and the members of the House of Commons. All the Russians and Chinese will know our secrets. That is what they have done with regard to United States secrets and that is what they are doing with ours—make no mistake about that—because they had already done it in 1945 and 1946 when Gouzenko came out and made the surprising revelations he made to us. As far as spying to obtain secrets is concerned, I have dealt with that matter. As to sabotage, it is extremely dangerous. Those 90,000 people in British Columbia are cause for genuine concern.

The minister feels that the mounted police are able to deal with them. Individually, man for man, I would say that the mounted police are as capable of dealing with a situation like that as are any force of men on the face of this earth. But I believe that it is well that we should look across the fence and see what is happening in the next yard. Here is something that J. Edgar Hoover told the United States subcommittee on appropriations on December 9, 1953, regarding the 1955 appropriation request for the federal bureau of investigation. From page 163 may I quote a paragraph:

> The investigative burden in covering the communist underground has been increased tremendously as is shown by the fact that where one agent was formerly needed for proper coverage, we now require as many as 9 or 10 by reason of their greater security consciousness in carrying out their conspirational activities. We have to change our surveillances more frequently by reason of their shifting of party members.

This report goes on through several pages giving material concerning difficulties being encountered down there in the United States

because the communists have gone underground. They have stopped carrying communist cards. They have stopped using telephones. They have stopped meeting in public. Many of them live right down underground. The report gives many other facts concerning them. I am just doubtful that the minister has put such an additional number of mounted police into the fight against communism in Canada as would be necessary to counter-balance the increased number which the F.B.I. have put into the fight against communism in the United States. If he has done so, well and good. I do not ask him to tell us. But if he has not done so, I would suggest that he had better take steps to increase the mounted police force in order to give them a fighting chance.

With regard to propaganda, I wonder whether the minister has read the book "While you Slept" by John T. Flynn, published in 1951, if I remember the date correctly. "While You Slept" is an account of the way in which the American people were softened up to the loss of China and how China was consequently thrown away by the United States into the hands of Russia. The betrayal was achieved by certain agents within the United States, including Owen Lattimore, Edgar Snow, Dean Acheson and several others. The whole story is given concerning the articles they wrote, the books they wrote, the criticisms of books they made and all the various other devices whereby the whole United States people were deceived concerning China until it was too late and China was gone, with 400 million people. There is not anything that the minister could read with greater profit than that book. If he has not read "The Iron Curtain Over America" I suggest that he read that book with great thoroughness, because it shows exactly the same thing that Flynn showed, only with much more extensive documentation. It contains unanswerable evidence showing the kind of techniques which are being employed by the communists in the cold war in order to achieve their objectives. I just wanted to mention that in passing.

I should now like to go a little bit further into the communist techniques in the cold war, coming a little bit closer to our own selves and what is happening to us just now.

There is a man in the United States, Professor Louis Francis Budenz who is, I presume, one of the greatest authorities on communism in America, a man who was himself in high command in the communist party, a man who was himself editor of the communist *Daily Worker,* who discontinued his connections with the communist party and came over to our side, as Gouzenko did, and who has since that time been very useful in all the investigations of spies which the United States has conducted. This man Budenz has written several articles, two of which I have before me. I am going to quote some information from some of the articles that he has written. He says—

**The Chairman:** Order. When I took the chair a few minutes ago the hon. member was discussing members of the Royal Canadian Mounted Police who might be devoted to a particular purpose. I thought that was quite in order. But now that the hon. member seems to be going farther afield, I am quite certain that a general discussion of the kind upon which he is now entering is not in order under this item dealing with the Royal Canadian Mounted Police. I would ask the hon. member to devote his attention more particularly to the item under discussion.

**Mr. Blackmore:** Your Honour will remember that I rose to take up this matter on the first item, where it would have been completely in order, and the minister requested that I defer the discussion until we came to the mounted police.

**Mr. Nicholson:** On a point of order—

**Mr. Blackmore:** Let me put my case first. Surely the hon. member can let me do that. There was, I think, a quite satisfactory understanding between myself and the minister that if I deferred the discussion until we got to the mounted police it would be quite all right to urge the matter and discuss the whole question on the broadest scale. Is that not correct?

**Mr. Nicholson:** Mr. Chairman, I think there was a misunderstanding. We had already passed the first item of the Department of Justice before we started tonight. We were on remission service, and I think the Minister of Justice would have no right to commit us to go back to the first item when we passed that the last time these estimates were considered.

**The Chairman:** Order. I recall that earlier today I suggested to the hon. member for Lethbridge that a question he had asked dealing with the communist threat might more properly be asked under the estimates of the Royal Canadian Mounted Police. That was by no means an invitation to enter into a general discussion of the kind upon which he is now entering. I do not wish to hamper him unduly, but at the same time I must point out that I must attempt to enforce the rules of the house with regard to debate, and

I cannot take undue cognizance of some alleged agreement entered into between the hon. member and the minister. I must protect the privileges of all hon. members and see that the debate is relevant to the item under consideration.

**Mr. Blackmore:** Mr. Chairman, the minister did not reply, as I recall it.

**Mr. Garson:** I think the situation was this, Mr. Chairman. The hon. member for Mackenzie is quite right in saying that we had passed the first item. We were, I think, on the fourth item of my estimates, and the sense of observation which I made at that time was that inasmuch as my hon. friend's remarks concerning the mounted police could not be applied to the remission service, or any of the other specific items of my department, he might defer them until we got to the mounted police where it would be quite appropriate for him to make them. But I think that is as far as my remarks went.

**Mr. Blackmore:** That is not in accordance with my recollection of the matter. I watched for the first item with great care, and if it passed it was because I could not hear the number called by the chair. I fully intended to speak on the first item and I believe I did. Whether or not *Hansard* will show that, I am not sure. However, I fully intended to discuss this matter on the first item. I realized fully that it was an advantage to the minister in getting his estimates through and an advantage to the house to consider all the items of the minister except this last one before I opened this discussion because I knew there would be a good deal of disagreement concerning the subject matter inasmuch as it is information of vital concern and upon which there is much disagreement.

I do feel that under the circumstances I would not be infringing on the rules of the house very much if I went on with what I was planning to say for the remaining part of my speech. But if you feel that I would be doing so I shall have to desist from speaking further. I have here two or three very striking illustrations of the devices and techniques which the communists have used in the United States and Canada and I think they would simply astonish hon. members and would be of great value to the Minister of Justice in dealing with the communist menace. Now, Mr. Chairman, I am in your hands.

**Mr. Nicholson:** Further to the point of honour—the point of order—the hon. member for Lethbridge is a very co-operative member, and I think he understood we were on item No. 1 of the Department of Justice when we started. But if he was here when these estimates were considered by the committee before he will recall that the first item was passed at that time, and it really was not in order for him to start a discussion on the first item today. When we started today we were on one of the items farther down in the list, item 163, I believe. We passed the first item of the minister's estimates some time ago.

**Mr. Blackmore:** I am in your hands, Mr. Chairman. If you say I should discontinue my speech I will discontinue.

**The Chairman:** Shall the item carry?

Item agreed to.

Royal Canadian Mounted Police—
Land and air services—
*409.* Operation and maintenance of divisions, $23,488,839.

**Mr. MacLean:** I think I can probably put my question on this item. I notice that the details in the back of the book give an estimate of the revenue derived from the services of the Royal Canadian Mounted Police. I also notice that it is estimated that the expenditure for the year 1954-55 will be considerably more. Yet at the same time I believe it is estimated that the revenue for the year 1953-54 will be about $1 million less than the revenue for the previous year. Can the minister give us any indication of the estimate of revenue for 1954-55 and also the source of this revenue? I presume it stems from services performed by the mounted police on behalf of provinces and municipalities. I should also like, if it is convenient, a statement of the amounts paid by the various provinces for services rendered by the R.C.M.P. in the enforcement of provincial laws.

**Mr. Garson:** The following is the breakdown:

Royal Canadian Mounted Police revenue, 1953-54

| | |
|---|---|
| Policing provinces | $2,953,307.30 |
| Policing municipalities | 883,880.47 |
| Sub-total | 3,837,187.77 |
| Personnel on loan to remission branch, Department of Justice | 4,606.32 |
| Protection to Bank of Canada agencies | 58,892.83 |
| Racetrack supervision | 22,974.49 |
| Deductions from pay for quarters | 562,068.38 |
| Deductions from pay for meals and rations | 369,305.45 |
| Grand Total | $4,855,035.24 |

**Mr. MacLean:** One further question in that connection; I notice the total amount is the same for the previous year?

**Mr. Garson:** Yes.

**Mr. MacLean:** But I notice that last year, 1953-54 was about a million dollars less than the year before that. Would the minister

be kind enough to indicate why this sudden drop of about 20 per cent?

**Mr. Garson:** I did not hear my hon. friend's last question.

**Mr. MacLean:** On page 475 of the estimates book it indicates the revenue for the year ending 1954, as compared with the year ending 1953 has taken a sudden drop. Why is that so?

**Mr. Garson:** Mr. Chairman, the explanation for the approximately $1 million difference is that in that year the Minister of Finance requested that the books be closed for the first time on March 31. The result was that the revenues for the year in which that cut-off applied, were reduced, and the revenue for the subsequent year increased, by the amount of revenue of that month of April.

Item agreed to.

Land and air services—

*410.* Construction or acquisition of buildings, works, land and new equipment, $3,779,049.

**Mr. MacLean:** This item comes under a general heading of land and air services, and is concerned with the construction or acquisition of new equipment. Would the minister say if there is an item included for the replacement of any aircraft?

**Mr. Garson:** The answer to my hon. friend's question is that the item to which he refers on page 477 does not include payment for any new aircraft, but the cost of aircraft is included in a supplementary which we will be passing shortly.

**Mr. Fulton:** Would the minister mind explaining, in general terms, the sort of buildings, works and land that is covered by this item. I realize that the operations of this force are farflung, but I observe the amount being spent on buildings, works, land and equipment runs in the order of $3,800,000 this year, as it did last year. This is a fairly substantial item. In view of the fact that the force, when it gives service to municipalities or provinces, requires those municipalities to provide accommodation, I am wondering what continuing requirement could necessitate such a heavy sum?

**Mr. Garson:** I would be glad to do that, but it would take a good deal of time.

**Mr. Fulton:** I am not asking for any details, but for what sort of things are these moneys to be used? Why is there a continuing need? Is it for new housing in the far north or what sort of thing is it?

**Mr. Garson:** I shall give my hon. friend the first group of items. There are detachment quarters in Newfoundland; then detachment quarters in Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan and so on. Those items take up some six pages.

**Mr. Fulton:** In that connection, are these quarters for detachments which are involved in policing at the request of the province or for policing that comes under federal responsibility?

**Mr. Garson:** I do not think that distinction which my hon. friend is drawing actually fits, because in those eight provinces of Canada in which there are not only agreements between the federal government and the provincial government but also agreements between the federal government and certain municipal governments to provide for policing, the Royal Canadian Mounted Police is the only police force in those provinces for federal and provincial purposes, and in the municipalities they serve, the only police force for municipal purposes as well. It is in relation to that over-all responsibility which the force is discharging that the provision for these buildings is made.

**Mr. Fulton:** Is it not the case where, for instance, in a municipality—I am quite certain it is—the mounted police have an arrangement with the municipality, the municipality provides the police with office accommodation and jail accommodation? I understand that is provided direct by the municipality, and not even by the mounted police and charged back, but detachment offices are provided by the municipality. It is for that reason I want to know whether these items are connected with strictly federal responsibilities of the force or whether they are in any sense for provincial requirements?

**Mr. Garson:** I think my answer still stands. When the force is in a province doing all the federal work, all the provincial work and some of the municipal work in those provinces in which it has municipal contracts, the provision of accommodation for members of the force is a provision of accommodation for that number of men required for the purpose of doing all the federal work, plus all the provincial work, plus whatever municipal work is being done. So far as the accommodation the municipality itself provides, that is limited to office and lock-up accommodation.

**Mr. Fulton:** This is housing?

**Mr. Garson:** Yes, this is housing as well.

Item agreed to.

Marine services—

*411.* Operation and maintenance, $1,385,264.

**Mr. Charlton:** Can the minister give us any idea as to the extent of these marine services?

**Mr. Garson:** The vote for marine services, Mr. Chairman, is to meet the operating expenses of the marine division of the mounted police. It includes the salaries of the members of the mounted police and also civil servants that are employed in connection with marine services. It is used in the enforcement of federal statutes along the seaboard and inland waters, for example, in connection with the matter of smuggling, customs inspections and the like. It maintains all the preventive controls and it assists the land division of the police force in the transport of personnel, and in carrying out police investigation in areas where the only means of travel is by water.

**Mr. Charlton:** Would there be a boat on the great lakes, for instance?

**Mr. Garson:** Yes, there are boats there, although I am sure my hon. friend realizes that the bulk of the work and the ships we have under this division are on the two coasts, the Atlantic and the Pacific. We have for example the R.C.M.P. *Carnduff* at Kingston, Ontario, and another at Sault Ste. Marie, and others at Sarnia and Windsor.

**Mr. Charlton:** Patrol boats in each of those locations.

**Mr. Garson:** Yes.

Item agreed to.

*413.* Grant to the Chief Constables' Association of Canada, $500.

**Mr. Fleming:** I should like briefly to discuss a matter on this item, as it involves a grant to the chief constables' association. It draws attention to the desire of the R.C.M.P. to maintain close liaison with the various police forces in Canada. I am concerned, as well, with the maintenance of liaison between the R.C.M.P. and the Department of National Revenue.

If my information is correct, representations have been made over a period of some considerable time by various associations of chief constables and police forces in Canada to the Department of National Revenue and the R.C.M.P. with a view to banning the importation of slingshots and Malayan style throwing daggers. It is a serious enough matter for the association of chief constables and police forces in this country to make representations with respect to it.

I brought this matter forward in the house on March 25, and asked if representations had been made on the subject recently. On March 26, as reported at page 3365 of *Hansard*, the Minister of National Revenue said:

> Our records indicate that no such representations have been received of recent date.

Now unless the minister was splitting hairs in the use of the word "recent" then my information indicates that there has been faulty liaison between the Department of National Revenue and the R.C.M.P. on the point, because I am told there was one communication dated June 5, 1953, that went from Mr. A. S. Kenney of the department to the R.C.M.P. Would the minister indicate the position?

**Mr. Garson:** We have not the files of 1953 with us tonight, but I shall be glad to look into this matter.

**Mr. Fleming:** I am not asking for the production of any particular letter. But I am concerned about the maintenance of some semblance of liaison between the Department of National Revenue and the R.C.M.P. when matters are important enough that associations of our chief constables and police forces make representations to the government.

**Mr. Garson:** I can assure my hon. friend there is no lack of liaison between the R.C.M.P. and the Department of National Revenue. I shall be glad personally to look into this matter and see what has been the fate of the letter to which he has referred. If it has not been attended to, it would be a very strange thing because I can safely say that all communications of that kind are carefully attended to as a matter of routine.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Taxation division—

*299.* General administration, $2,413,361.

**Hon. J. J. McCann (Minister of National Revenue):** Mr. Chairman, when dealing with the estimates for the customs and excise division of the Department of National Revenue I undertook to provide for the information of the house typical examples of the operation of section 35(6) of the Customs Act. At that time I read to the house a list of typical goods which were being affected by this legislation, and I mentioned various things about it. Among these I referred to printed acetate foulard piece goods. The question was asked by the hon. member for Calgary North.

At this time in connection with the estimates of the Department of National Revenue I would answer the hon. member's question

in this way: This case is a typical illustration of the effect of the section. An importation of acetate foulard piece goods was made on February 22, 1954. The invoice price to the importer was 65 cents per yard. The goods had been originally introduced to their home market around May, 1953, at a price of 85 cents per yard. From May, 1953 to the date of the importation the price on the home market declined gradually from 85 cents to 65 cents, the price paid by the importer. The officers of the department, on examining the invoices, felt that investigation was necessary in accordance with our instructions which I read to the house on Friday, and personal investigation was accordingly made in the United States at the office of the exporter. This investigation provided the department with the volume of sales made on the home market and the prices prevailing during the six months immediately preceding the date of shipment to Canada, as is required by the act as amended last December.

As a result, the appraised value was set at 74·45 cents per yard. The difference, therefore, in the price to the importer and the appraised value on which duty and taxes were applied was the difference between 65 cents and 74·45 cents, that is, 9·45 cents.

Without the same elaboration as I have given in this case, I will refer to one or two other similar instances, one concerning a different type of textile, another one concerning refrigerators.

An importation on March 23 of over 100 pairs of drapes was invoiced at $6 per pair. These drapes, over the six months immediately preceding shipment to Canada, had dropped in price from $8.25 to $5 a pair. Following investigation by the department, the goods were appraised at $6.64 per pair, an increase in value for duty of 64 cents a pair.

Another typical example relates to the importation of household refrigerators entered at customs on February 22 last. This particular model was invoiced at $154.50. Investigation on the home market showed that during the six months immediately prior to shipment, the price had dropped from $179.70 to $163.70. After investigation the weighted average price over these six months was determined as being $178.48 which, under the law, is the appraised value for purposes of applying duties and taxes.

Then, Mr. Chairman, on this item in the estimates concerning the taxation division of the Department of National Revenue I should like to make the following statement:

For some years now it has been my custom to make a few preliminary comments regarding the taxation division's estimates so that hon. members might be assisted in their consideration of these figures.

The taxation division will require $26,166,993 to operate for the 1954-55 fiscal period. This represents an increase of about $2,750,000 over last year, practically all of which is due to our salary requirements. The income tax appeal board is being provided with $74,920 which is $3,700 more than last year. All of this increase is due to the increased rates of pay.

As at April 1, 1954, there was a full-time staff of 6,134 people employed by this division. At the same time last year the staff was 5,918. The total payroll provided in these estimates is $22,756,343. After eliminating the amount provided for the revision in rates of pay, there is an increase in this year's salary requirements of about $950,000. As I have indicated in previous years at this time, every effort is being made to secure highly qualified technical personnel who must be made available to the division if the work is to be carried on promptly and efficiently. This increase in staff over last year is an indication that we are meeting with some success in this direction. However, we will continue in the present fiscal year to seek out these technical people and funds are provided in these estimates for that purpose.

In addition to the full-time staff we are continuing the policy of engaging temporary employees during the filing period. The use of these temporary employees has gradually increased from year to year until this year during the filing period just passed 1,164 temporary employees were hired. Through the use of this casual help we are able to dispose of the peak work-loads promptly and avoid building up backlogs. It has been possible, too, to reduce the number of permanent clerical employees.

During the fiscal period ending March 31, 1954 the division received 4,858,438 individual returns and processed about the same number. This represents an increase of 300,000 returns over the last fiscal period and the inventory remains about the same at 42,137 returns.

During the same period 70,965 corporation returns were received, compared with 66,206 received during the fiscal period ending March 31, 1953. The inventory of corporation returns at March 31 this year was 18,723, compared with 18,102 last year.

These figures show, therefore, that although the number of income tax returns being filed is increasing each year, the division has been able consistently to maintain or improve its position.

As at May 22, 1954, refunds had been issued to about 1,900,000 taxpayers who had filed 1953 returns. The total of these refunds was $100,591,000.

During the 1953-54 fiscal period the revenue collected by the division totalled $2,613,000,000. The administrative costs of collecting these taxes was 86 cents per $100. I submit that that is a very low rate.

Dealing with items other than salaries there are no new allotments of any significance provided for in this year's estimates. On the other hand, the division has been able to effect notable reductions in certain of its expenditures. For example, there is a decrease in the provision for travelling expenses of $95,000. This is due partly to a reduction in removal expenses as compared with last year and partly to certain other economies which it will be possible to make during this fiscal period. The provision for office stationery and supplies has been reduced by $40,000 and advertising by $12,000.

The provision for office machine equipment, which shows an increase of $94,000, is to be used to replace obsolete and worn-out accounting machines with more modern equipment which will, in addition, make it possible to simplify and improve our accounting procedures. This will conclude the replacement program commenced two years ago. It also provides for the installation of cash register machines in the district offices in order to properly protect crown funds and to eliminate existing cumbersome methods of accounting for the division's revenue.

Hon. members will be interested to know that during the past year the district office at Dawson city in the Yukon has been closed and the new district office at Whitehorse is now in operation.

Construction of new premises is being carried on at Whitehorse, Yukon Territory, Hamilton, Ontario, and Sherbrooke, Quebec. Alterations to provide better accommodation are being carried on at Saskatoon, Saskatchewan, and Windsor, Ontario. The alterations to premises at Victoria, British Columbia, have been completed. It is proposed to open a district office in the Rouyn-Noranda district when the premises are ready.

With respect to the income tax appeal board, there were 393 appeals filed in 1953 and during the same period the board disposed of 387. As at April 1 there were 199 appeals being dealt with.

[Mr. McCann.]

I believe that these few brief remarks have brought out the more important factors in connection with the estimates of the taxation division, but I shall be glad to provide any additional information that hon. members may require.

**Mr. Macdonnell:** I am grateful for the minister's statement which gives us a great many relevant facts. He has drawn our attention to various satisfactory features. I noticed with approval that advertising and travelling expenses were down. I do not propose to go in detail into the further figures which the minister has given because he has given us an adequate statement. I want to spend just a few minutes in talking about what I will call the spirit of the administration of the act because it is very important.

The minister has already indicated that a very large percentage of our whole taxation, roughly three-fifths, is derived from income tax. I think he said $2,600 million odd, about 50 per cent corporation and 50 per cent personal. The view is almost universally held now that the tax is a fair one; that the right basis of taxation is to pay according to ability to pay. It is rather ironical for me to recall that in a certain city in Canada in the 1920's the board of trade passed a resolution to the effect that they approved of the principle of income tax. There were two contrary expressions of opinion which reached me regarding that. One of my friends said: "Why did you not pass a resolution that the telephone was a useful thing?" But other people at that time were very indignant that the income tax had been approved by a responsible body of men. I mention that merely to indicate how opinion has moved in those years.

What I want to say about the act is that there are really two attitudes toward it. One is that certain types of citizens employ clever lawyers to enable them to evade the intent of the act. The other is that the act is administered in a heartless way in certain cases, quite contrary to common sense, and therefore contrary to what must have been the intention of parliament. I propose to give one or two illustrations for the minister's consideration, but I want to stress for a moment those two contrary attitudes.

I hold in my hand an interesting article on the income tax which appeared in the "Canadian Chartered Accountant" for April. It quotes at some length from a British case in which Lord Simon, the then lord chancellor, referred rather critically to citizens who were inclined to employ clever lawyers who he suggested were trying to evade the intent of the act. On the other hand, the writer of this article goes on to state the other side

and to say that there are cases where the government seeks to place interpretations on the provisions of the act which are both inequitable and diametrically opposed to ordinary legitimate business practices. I want to dwell on that just for a moment because it seems to me that it is very important to try to get our minds clear on that.

On the one hand, there is nothing I detest more than the person who manages to evade his just tax and thereby puts burdens on other people. Therefore, one wants vigilance on the part of the department. On the other hand, I am equally sure that one wants fairness, because there is the type of mind, there is the type of person who, if he is able to convince himself that the act is not administered fairly, then regards himself as quite justified in practising any evasion which he is able to practise. Therefore I say that we want vigilance and fairness, and I propose to bring to the minister's attention a few instances, seeking to explore this situation and to satisfy ourselves as far as we can in the short time which can be available for this discussion at this time, that the two are fairly held in balance.

The minister has given us a good deal of evidence of vigilance. We have had some complaints as to the method in which vigilance has been manifested and I propose to bring to the minister's attention one or two cases where I think vigilance, or perhaps vigilance plus an extreme interpretation in the courts, seemed to be in a fair way to work injustice.

I believe that that has been corrected by statute, in one instance I want to give, viz. the averaging of farm income. I believe that has been corrected by an amendment to the statute. But I want to read briefly the effect of the legal interpretation, which I believe was the accepted law for a time, because it seems to me to show that there is a danger for legalism to run riot. The description of this case I shall read now, and then comment further on it:

> In the series of cases arising from the administration's attitude on the proper interpretation of section 39(1), we have the courts placed in the humorous position of deciding that "parliament's intention" was that if a farmer did not file all of his tax returns in the averaged period on time, he was not entitled to average. I doubt very much if anyone, knowing parliament's attitude towards farmers, would seriously contend that that was parliament's intention. Can you imagine parliament passing on that section if the Minister of Finance, or someone for him, had said at the time, "This section means that any farmer who has failed by inadvertence to file one of the returns of the five averaged years on time being late by so much as one day, may lose thousands of dollars of tax refund, while at the same time remaining subject to the normal penalties for late filing, which parliament has previously decided were fair punishment for the offence"?

When I read that it seemed to me to be an indication of what I call the necessity for fairness, because I cannot believe that anyone would argue that parliament did intend that. The point I stress is that here is a case where a penalty was provided by the act itself for failure to file a return and yet another surely unintended penalty was also exacted. I feel that this is contrary, not only to the words I read a moment ago, namely legitimate business practice, but so contrary to common sense that the Department of National Revenue should have taken immediate steps to have that set right by legislation if necessary. I understand that has been done by my reading of what the Minister of Finance said with regard to this Nielsen case. In answer to my question the minister said as reported at page 5607 of *Hansard* for June 7:

> I understand that the difficulty in the Nielsen case was taken care of in the amendment last year. I am assured that is correct. I have forgotten what the Nielsen case was.

I would like to stop at this point and ask the minister if he will comment on that and let me know whether that is correct. Following that I have some further questions to ask but may I just say before I take my seat at this stage that I think that in the interests of the act and in the interests of all concerned there should be a fine balance between vigilance and fairness, and that ought to be possible to achieve. I think there should also be vigilance on the part of those whose duty it is to examine the affairs of the department and bring to the attention of the minister cases in which it looks as though legalism had run riot.

**Mr. McCann:** Mr. Chairman, I am informed by the officers of my department and I know it to be a fact that the Department of National Revenue in the preparation of the budget brings up such cases and makes recommendations with reference to what appear to be instances of unfairness or anomalies in the act. But I think in view of the fact that it had been discussed this year in the amendment to the act that position from now on will probably be well taken care of.

**Mr. Macdonnell:** But can the minister not give me something more definite than that on this particular point? I understood from the Minister of Finance that the amendment to which he referred was passed a year ago. I feel I should have an assurance on that point.

**Mr. McCann:** The fact is that this case to which my hon. friend refers took place before the amendment was introduced a year ago.

Since that time it has been administered in strict accordance with the act and the amendment to that act.

**Mr. Macdonnell:** I have no reason to doubt that, but what I want to know is whether the minister can say that the amendment as interpreted to me by the department will remove this entirely oppressive and to me unfair situation which existed before, and under which a man who had been late one day was penalized and not allowed to use that year in his averaging.

**Mr. McCann:** As I understand it, and having listened to the discussion here on the Income Tax Act, the year in which the taxpayer was late in filing his return is dropped and the averaging is then for another period.

**Mr. Macdonnell:** That does not seem to me to be entirely satisfactory.

**Mr. McCann:** Well, Mr. Chairman, that is the explanation I have. I submit this is neither the time nor the place to be arguing about the provisions of the law. If the hon. member has questions to ask with reference as to how the law is to be administered we will attempt to answer.

**Mr. Macdonnell:** But that is what I am asking.

**Mr. McCann:** What is the hon. member's specific question?

**Mr. Macdonnell:** I am asking whether the law as now administered has got away from this situation which I read to the minister and which reads:

> This section means that any farmer who has failed by inadvertence to file one of the returns of the five averaged years on time, being late by so much as one day, may lose thousands of dollars of tax refund—

I understood he was not allowed to use that year but now the explanation the minister gives me is that he might not still be allowed to use the year but that that year may go out and he will have to wait for another year. If that is the situation I do not see how it has been improved at all.

**Mr. McCann:** In this case and prior to the amendment, if a man had, say, two or three years and arrived at 1950 and was late then he lost the advantage there, he would then have to start again and did not get the advantage of the averaging until he had come to 1955.

**Mr. Macdonnell:** The minister means he lost all those years?

**Mr. McCann:** Yes. Under the amendment he loses only that year and the three previous years are brought into effect. He loses that year and the average is five. Three and two more afterwards which would bring him up to 1952.

**Mr. Macdonnell:** That certainly is a substantial improvement for the better and, as the minister says, we are not here to write law. However, I wish to bring up another case and this case is Collins *v.* the Minister of National Revenue and it deals with the position of a news vendor who was not allowed in the judgment of the court any allowance for his liability to accept returns of unsold magazines. The courts held that the two contracts involved in that case were not conditional on each other but were independent. An article I have on the subject in the magazine I have already mentioned states:

> Would any businessman or member of parliament seriously contend that a retailer would have signed a contract to purchase magazines unless the distributor bound himself by contract to take back those which could not be sold?

Would the minister let me know what the situation is on that? I take it the case is familiar.

**Mr. McCann:** There is nothing in the law which allows that. This is not in the same class as returned milk bottles, oil barrels, and the like. And there is nothing in the law covering unread, unused, and unsold magazines. If the hon. member wants to advocate that we will bring it to the attention of the Minister of Finance.

**Mr. Macdonnell:** I am seeking to find out the spirit which prevails in the department. Let us get away from the law for a moment. The minister told me a moment ago that in cases regarded as unfair his department would take the initiative. When the statute is producing perhaps unexpected results which appear to be unfair, the minister indicated a moment ago that his department would raise the question with the Department of Finance.

Let me now ask the minister this question with regard to this case to which I have just referred. Does the minister regard that as a fair situation? Does he regard it as the ordinary relationship between man and man in business? That is the test.

**Mr. McCann:** Whether or not it is fair or unfair is not for me to judge. But in dealing with the particular item which the hon. member has under question, namely, the people who deal in magazines and get them from a wholesale concern, if they destroy them they get no allowance. If they return them to the party from whom they have bought them they get an allowance with reference to them and they can deduct that

amount from the amount of money which was owing to the concern from which they bought them.

**Mr. Fleming:** I have one question to raise, Mr. Chairman. It is with regard to the work of the various assessors. Does the department keep any record of the results of the work of the assessors, as to how much they are able to raise the tax over that which is estimated as payable in the return? Is a record kept of the results of their work in that regard?

**Mr. McCann:** No. There is not a record kept of their particular work. A record of the office is kept. A record is kept of how much is collected over and above what the assessment is as made by the taxpayer and what is actually concerned, along with the extra money that is collected by reason of reassessment. I think I know the point that the hon. member has in mind. It has been asserted that some of our assessors are working on the basis that the more they produce, the better it is for them in the matter of advancement in the office. That is not the case. Individual records are not kept. Records are not kept of individual assessors as to the amount by which they have raised the assessment of those taxpayers whose returns they have been examining.

**Mr. Fleming:** I am glad to hear the minister's statement on that point. When he speaks about a record being kept for the whole office, I take it that he is referring to the district?

**Mr. McCann:** The district office.

**Mr. Knowles:** Under the heading of administration of the taxation division there is a matter which I should like to put to the minister. My question arises out of a subject that I have been following with a measure of interest for a couple of years. I confess that I was first attracted to it because I happened to notice an article in the New York *Times* about two years ago written by a namesake of mine. I do not know him but his name is Clayton Knowles.

**An hon. Member:** It must have been a long article.

**Mr. Knowles:** I hear someone across the gangway suggesting that it must have been a long article. It was. At any rate, from that time down to the present I have been noticing that a good deal of publicity has been given to a case which seemed to start in Canada and which has now resulted in nine men being indicted in the United States on a charge of evading $16,400,000 in United States income taxes.

I am not going to go into all the details of this story for I have no doubt that the department has a file on it. It is on that assumption that I wish to ask a question or two. The fact is that these nine men included three Canadians, Isadore J. Klein, Albert McLennan and George Norgan, all of Vancouver. There was a story on this matter under a Canadian Press dateline in the Ottawa *Journal* of Wednesday, May 12, 1954. There was also one under BUP dateline in the Vancouver *Sun* of May 11, 1954. In these stories and in other items which I have it is indicated that these three Canadians, along with one American, who was the brother of one of them, did fairly well in the liquor business at the end of world war II and shortly thereafter. According to testimony given at one of the committees set up by the United States congress and which went into the matter of shortcomings on the part of employees in the department of internal revenue in that country, it came out that these four men—the three Canadians whom I have named and the brother of one of them—started off back in 1944 by throwing $1,000 each into a firm—

**Mr. McCann:** We know the history of that whole case.

**Mr. Knowles:** I am glad to hear that. That means that I can shorten up my remarks. But perhaps for the record, a little bit of the story should be told. These men put $1,000 each into a firm known as United Distillers Limited. As I have it, within a few years they had pyramided that $4,000 to $20 million.

**Mr. McCann:** Would it satisfy the hon. gentleman if I told him that as far as the Canadian taxpayers are concerned, returns have been made, assessments have been made and the tax in full collected. It was one of the largest amounts of taxes from that type of business that were ever collected in this country. The crown has been protected.

**Mr. Knowles:** That is very close to my point. What I should like to know is this. I appreciate the fact that the minister and the department are most zealous in matters like this. The minister has already given evidence of that fact by showing that he is familiar with the case. In view of the fact that it has now been brought out that these people appeared to have defrauded the United States income tax authorities, has there been since that time a review of the case to determine whether or not these people short-changed the Canadian income tax authorities?

I have one other question, apart from any that might arise out of the minister's answer. Perhaps the minister can answer that question before I put the other one.

**Mr. McCann:** We have followed with great interest what has been taking place in the United States. I just want to assure the hon. gentleman that we were one jump ahead of the American authorities. When these same people attempted to bring that money back into Canada or when it came back into Canada, it went into revenue and they paid the taxes on it.

**Mr. Knowles:** I suppose if I were to ask him a question as to the amount of money that was paid—

**Mr. McCann:** You would not get it.

**Mr. Knowles:** —I would be reminded of the secrecy provision of the Income Tax Act, references to which have been appearing in the newspapers lately because of a recent supreme court decision. I take it that if there was any criminal charge involved in this matter all that information would have to be brought out. I am glad to have the minister's statement that Canada was one jump ahead of the Americans in connection with this matter. Did he say "a jump ahead of the Americans" or "a jump ahead of these three men"?

**Mr. McCann:** A jump ahead of the American revenue department in the matter of collecting taxes.

**Mr. Knowles:** My point is this. Even if the minister feels that Canada was a jump ahead and obtained a fairly sizeable chunk of income tax out of these people, since it has now been charged that they evaded $16,400,000 liability in respect of income taxes in the United Stats, it would seem to me that it is a matter for reviewing again.

These people apparently were pretty smart. If they pyramided $4,000 into a profit of $20 million in a matter of a very few years they are people who certainly should be looked at very carefully.

The other question I want to put to the minister is this. In the article that appeared in the Vancouver *Sun* on Tuesday, May 11, which characterized this matter as the biggest tax charge in United States history, there was a postscript to the story about the Canadian aspect of the matter, and it is to that I particularly want to direct the minister's attention. It reads as follows:

> The suit was launched following investigation of the tax charges in the United States in 1952, and the B.C. court of appeal is now threshing out the action of the three men in refusing to answer questions in connection with the lawsuit.

[Mr. Knowles.]

The three men are the three whose names I have already given, and this part of the article has to do with a lawsuit which is something in the nature of a family squabble. At any rate, the article goes on to say:

> Mrs. Netta Bell, widow of Nat Bell, and their two children, Angela and Jack, are asking $2½ million as their share of the $25 million profits made by United Distillers.

That is the company I was referring to, and I take it that the large sum of taxes the minister says the treasury got was either from United Distillers or from the three individuals. Does he care to say, or does that contravene secrecy?

**Mr. McCann:** It was from the corporation, United Distillers, but this Bell case is the case of an individual shareholder against the company.

**Mr. Knowles:** Yes.

**Mr. McCann:** Our department has nothing to do with that whatever.

**Mr. Knowles:** Just a minute. I appreciate the interruption so we can realize we are both talking about the same matter. The next paragraph in the story in the Vancouver *Sun* of May 11, 1954, reads as follows:

> The Bells allege that through intervention of Canadian income tax authorities $15 million of the huge profits was returned to the company, and they say this was used to purchase shares in the company in the names of secret nominees.

Can the minister explain that startling statement? I do not think he would want to slough it off. The Bells allege that through the intervention of the Canadian income tax authorities $15 million of the huge profits was returned to the company. What does that mean?

**Mr. McCann:** I am familiar with the case but I would not like to make a comment on a lawsuit and allegation of that type while the matter is still under consideration. It would be very injudicious of me to make any statement in connection with it on behalf of the department. I can only say that we are not involved in this lawsuit, nor have we an interest in it except if it should turn out that the money goes to Bell as the result of the suit. Then we would have to look into the matter of whether or not it was taxable.

**Mr. Knowles:** Has there been any request by either side in this legal dispute for information regarding income tax returns of United Distillers Limited?

**Mr. McCann:** Well—

**Mr. Knowles:** If there was such a request —did the minister say no?

**Mr. McCann:** The only place we could give that information would be in court, and none of our officials has been subpoenaed to go to court.

**Mr. Knowles:** If such a request were to come what would be the attitude of the minister, especially in the light of the recent ruling of the supreme court?

**Mr. McCann:** We have not got that judgment yet and have not had an opportunity to read it.

**Mr. Knowles:** I will not pursue the matter further at this time. But even though the minister is satisfied that the matter has been taken care of properly, I express the hope, in view of the rather staggering way in which these people seem to have defrauded the United States treasury, that another look be taken at the matter to determine whether or not the Canadian treasury got all that it should have got out of these people.

**Mr. McCann:** Our interest in this case continues just as consistently and as diligently as when we started five years ago, and we will continue to maintain that interest and take such action as may be necessary if action is indicated.

**Mr. Knowles:** See that you do.

**Mr. Macdonnell:** The minister will probably regard it as a very obvious comment, but I take it that in view of this extraordinarily complicated international financial and legal tangle the department has availed itself of the very best available legal talent on both sides of the border. I say that is obvious, but I should like to feel perfectly reassured.

**Mr. McCann:** It is not only obvious; it is a fact.

**Mr. Dinsdale:** I think the minister is aware that from time to time complaints come from the west concerning income tax problems, and it seems that this year they have been even more numerous than before. Rather than make a formal statement on the problem, perhaps I can get the information I desire by asking one or two questions. How many inspectors are employed by the department, and how many are located in each of the prairie provinces? I ask that question because the idea is abroad that the prairies are a special target for income tax inspectors.

**Mr. McCann:** Our set-up does not go entirely by provinces. It goes by taxation districts. For instance, the office here for the Ottawa district takes in part of the province of Ontario and that part of the province of Quebec adjacent to Ottawa. The hon. member asked about farm assessors. There are three in Charlottetown, five in Halifax and Sydney, four in Saint John, New Brunswick, fourteen in Quebec, Sherbrooke and Montreal, eighty in Ontario, fifty-five in Winnipeg, Regina and Saskatoon, forty in Calgary and Edmonton, eleven in Vancouver and none in Whitehorse.

**Mr. Dinsdale:** Thank you for that information. How many additional assessments have been demanded from prairie farmers in the past fiscal year? Some farmers complain that it is unusual not to be asked for an additional income tax contribution, and they resent particularly the 6 per cent interest charged on the so-called unpaid balances. How many additional assessments were made last year?

**Mr. McCann:** Additional assessments?

**Mr. Dinsdale:** Yes, reassessments, demands.

**Mr. McCann:** I think I can clear up this whole matter. As a matter of fact I promised to give an answer to the hon. member for Calgary North when he discussed the matter of farm assessment earlier in the session. I have given very careful thought to the subject, and I think if I were to put this statement on the record—it will only take a few minutes—it might answer many of the questions that have been asked and would be an answer to some of the criticism. May I put in on the record without reading it? If not, I will take the time to read it.

In view of recent critical statements made in the house and elsewhere with respect to the taxation division's assessing and investigation methods, particularly in dealing with farmers, a few general remarks in this connection may help to clarify our position.

In order to bring my remarks into proper perspective, I should like to state some of the things which are well known to all hon. members and which must be borne in mind when considering the income tax.

The majority of the citizens of this country honestly and conscientiously pay their proper taxes. There is, however, a minority who, not having enjoyed the opportunity of much formal education, do not understand the income tax law, or are not capable of correctly calculating their tax liability. There are still others, unfortunately, who resent having to pay their taxes and who take every means to avoid or evade the payment of their proper liability.

Now the majority who pay their taxes depend on the activities of my officers in the taxation division to discover those who have not paid and to make these delinquents aware of their obligations and to ensure that they pay their share of the cost of their government. This does not apply to farmers only;

it applies to taxpayers in all walks of life. Farmers are one group in the community and they must receive the attention of my officers in the same way as all other groups. I am sure that no person would suggest that the farmers should be overlooked or ignored.

It has been again suggested that farmers in some parts of the country have been singled out for discriminatory attention as compared with those elsewhere. Hon. members may recall my statement of March 12, 1952, *Hansard* page 361, refuting previous criticisms of this type, and pointing out the hazards inherent in attempting to use averages and broad generalizations of statistical data prepared for one purpose to establish specific conclusions for other purposes. At that time I freely admitted that our officers, being human, occasionally made mistakes, but they were honest mistakes which they were most anxious to rectify when they became apparent. I do not propose to embark on a further review of what I said at that time, but I believe it is equally applicable today and my current remarks may be considered as a further development and clarification of the stand then taken.

There have been from time to time a variety of approaches used in checking farmers' returns, and other classes of returns, in different areas. Methods tried and found satisfactory in one district are adopted by, or adapted to, others. Methods found wanting are rejected. New methods are continually being developed. As is recognized in all types of checking, auditing or investigational work, improvement in methods is only achieved by the use of imagination and experiment. We cannot overlook the wide variation in types of farming in Canada, many of which require different checking methods.

As our experience broadens a certain amount of standardization in general methods is taking place. For example, in the past exception has been taken to the division's procedure in some prairie districts of making requests by mail for farmers to meet assessors at central points for the purpose of reviewing their income tax returns and supporting records. It was originally thought that this approach was both satisfactory to the farmers and most efficient from an administrative viewpoint. However, as a result of our experience it has been found preferable to have the assessors in the prairie districts call on farm taxpayers at their home addresses, unless individual circumstances make alternative arrangements more convenient to the farmer. It is unreasonable, however, to anticipate elimination of local variations found necessary to meet local conditions.

[Mr. McCann.]

Representations have also been made respecting some of the techniques in general use, particularly the so-called "net worth" approach. It has been suggested that we either abandon this assessment basis completely in so far as farmers are concerned, or restrict the net worth period to one or two years.

Before dealing with these suggestions I would like to give the house some indication of the extent of the activities to which such violent objection has been taken in some quarters. As a result of a special survey made recently it has been ascertained that in the fiscal year ended March 31, 1953 less than 6 per cent of farmers' returns filed with the offices serving the three prairie provinces were assessed on a net worth basis. Now, remember that, less than 6 per cent were on a net worth basis. In the same period those offices assessed about 5 per cent of the returns filed by all other unincorporated businesses on that basis. To my mind, these figures indicate that the number of cases in which it was necessary to resort to a net worth basis of assessment was not unduly large. While the percentage of net worth actions with respect to farm returns was slightly higher than for other businesses this can, I think, be accounted for by the fact that farmers as a class do not keep as good records of their income and expenses as other classes of taxpayers.

Perhaps a word or two of explanation on the basic principle on which net worth assessments are based will be helpful. A net worth computation of income is based on the premise that the increase in a person's net assets between two dates, added to the amount of money spent for personal and family purposes, represents his income for the intervening period from all sources. If this result is adjusted where necessary by deducting moneys received from non-taxable sources, such as inheritance, gifts, or other capital gains, and by adding thereto any losses of a capital nature, we arrive at the income subject to tax. This principle is recognized as sound from an accounting viewpoint, and has been accepted on numerous occasions by the courts.

Hon. members should appreciate that an assessor does not resort to the comparative net worth basis of assessment as a matter of choice. He would much prefer to base the assessment on the taxpayer's actual income as disclosed by complete and accurate day-to-day records. However where there are no records or the records are shown to be incomplete and serious discrepancies in the taxpayer's returns cannot be reconciled

with known facts, the assessment must be made on the best information available. Under these circumstances the net worth approach is often the only reasonably accurate method remaining for the assessor to use in determining the taxpayer's income. It is used under similar conditions for all classes of taxpayers.

There has been critical comment on the fact that our assessors ask certain personal questions in compiling their statements which, it is suggested, have nothing to do with income tax. I assure you such questions are not an expression of idle curiosity on the part of the assessors. It must be obvious that one cannot determine a person's expenditure for food, clothing, recreation, furniture, education of children, medical bills, and the many other items entering into his family cost of living, without asking personal questions. Nor can one ascertain the assets or liabilities at certain dates, or the source and amounts of non-taxable income received, without asking such questions. We must not overlook the fact that these questions are directed as often as not to ascertaining facts of direct benefit to the taxpayer. In one recent case there was criticism of the fact that an assessor questioned the amount and use made of an ex-serviceman's gratuities. I believe that criticism was made by the hon. member for Calgary North. The fact is that the assessor was endeavouring to establish the amount of capital gain he could deduct from the veteran's income subject to tax.

An argument frequently encountered is that farmers generally have neither the time nor the education to keep proper records. All taxpayers in business, or who pay or collect taxes, are required by law to keep sufficiently detailed records to permit accurate determination of their net incomes. It has never been suggested that complicated formal accounting records are necessary for the average farmer, but he should keep a simple day-to-day record of his business transactions affecting revenue and expense. To exempt farmers from the responsibility of keeping records, or from net worth determination of income where necessary, or to drastically curtail the period applicable, could only be interpreted as unwarranted discrimination against other classes of taxpayers.

The advocates of such restrictions in the division's activities contend that, having once accepted a return without question or investigation, the division is showing bad faith in going back at some future date to reopen a return. This seems to resolve itself into an argument that if the taxpayer succeeds in an understatement or wilful suppression of income, or fails to keep accurate records without immediate detection, the division should be forever barred from collection of the proper tax. I assure you that we have resisted and will continue to resist such suggestions.

There are, I believe, adequate legal safeguards to prevent the authorities from unreasonable zeal in this matter of reassessment. I quote from subsection 4 of section 46 of the Income Tax Act:

> (4) The minister may at any time assess tax, interest or penalties and may
>
> (a) at any time, if the taxpayer or person filing the return has made any misrepresentation or committed any fraud in filing the return or supplying information under this act, and
>
> (b) within 6 years from the day of an original assessment in any other case,
>
> reassess or make additional assessments.

It will be noted that while the division's authority to assess or reassess is unlimited in the event of misrepresentation or fraud, a six-year limit is provided in all other cases.

A brief outline of our administrative methods illustrating the practical effect of our policies will indicate that this six-year general limit is not unreasonably long. The Canadian system of taxation is one of self-assessment and the taxpayer is required to make a return of his income and calculate his tax. In order to give proper service in such matters as the issuance of notices of assessment and the payment of refunds, as well as to improve the over-all administration of the division, we have in recent years subjected all returns to a rapid examination at the time of filing and, after correction of obvious errors, issued assessment notices almost immediately, acknowledging payments received and showing balances apparently owing or refunds of indicated overpayments. This phase of the program has met with almost unanimous public approval.

It is obviously necessary, however, as time and staff permit, to re-examine some of these returns. Methods of selection used vary but such considerations as complexity or scale of operation of the taxpayer, the necessity to check discrepancies, or the discovery of errors or omissions not previously discernible, all play their part. It may be said that all adjustments should be completed on the first examination, but when one reflects that over four million returns were filed in 1952, it will be evident that this could be done only by sacrificing the objective of prompt handling noted above, or by the use of an abortively large untrained seasonal staff, with a consequent loss of assessing quality, not to mention revenue. An important consideration is also the fact that errors of returns, particularly sustained suppressions of

income, are frequently only apparent on concurrent examination of several years' returns of the same taxpayer. This is not feasible at a time when most of our district offices' daily intake of returns may number in the hundreds or thousands.

The re-examination of returns is therefore an orderly, continuous process throughout the year, interrupted to a limited degree by diversion of sufficient regular staff during the peak filing season to supervise and assist a comparatively small temporary clerical staff employed for that period to complete the first recording and examination of returns. I am satisfied that the relatively small but well trained permanent staff we now have employed under the present system is preferable, both from an efficiency and economy viewpoint, to the possible alternatives available.

Another frequently misunderstood phase of income tax administration is enforcement. It has doubtless come to the attention of many members that we sometimes find it necessary to take punitive legal action under the act. All classes of taxpayers have on occasion been prosecuted for failure to file returns of income, or for filing fraudulent returns. Such actions are invariably only initiated after the most careful review of all circumstances by senior officials of the division. The Income Tax Act, like any other law of vital importance to the national revenue, contains provisions necessary to its enforcement, but I can assure the house that the penalties provided are used only in cases involving refusal of taxpayers to comply with reasonable requests for returns or other information, or where wilful tax evasion is established.

We are keenly aware of the importance of good public relations in the difficult task of tax collection, and much has been done by way of radio and newspaper publicity, and through the medium of departmental publications, such as the farmer's and fisherman's guide, to explain our functions and requirements to the taxpaying public. I feel, however, that our best public relations medium is the day-to-day contact of our staff with the public, and all officers of the division are instructed to use the utmost tact and courtesy in their duties. In exercising their combined functions of collection and enforcement the psychological difficulties encountered cannot be overlooked, as it is too much to expect a tax collector to be welcomed with open arms. Consequently, we must expect some complaints—indeed the relatively small number is gratifying—but we cannot permit these complaints to curtail the legitimate and vitally necessary activities of the division.

[Mr. McCann.]

We are glad to look into all reasonable objections raised, but we ask the co-operation of the public, their advisers, organized trade groups, and the members of this house in ensuring the representations made are reasonable in the light of all relevant facts.

I am sorry to take up so much of the time of the house in putting on the record this information, but I think it will be very useful to hon. members particularly in explaining methods which we use in the taxation branch. We are open at all times to suggestions from members of parliament with reference to giving a better service and guaranteeing revenues to the crown.

**Mr. Dinsdale:** I think I should have stuck to my question. I have only one brief comment arising from the minister's statement. I agree that the problem is partially one of public relations and educating the farmers. But it seems to me, too, that the educational process might very well work both ways. Assessors are skilled in financial matters and in systems of accountancy; but sometimes I suspect that they lack insight into the psychology of the prairie farmers, and also agricultural procedure. Otherwise they would not rub the farmers the wrong way so frequently.

Information I am getting continuously is that in many cases they approach farmers with an attitude of suspicion and mistrust, and sometimes of superiority. One illustration of this is in connection with a group of Mennonite farmers who are upright and God-fearing people, as all hon. members know. The attitude displayed to many of them is that they are deliberately defrauding the government. As one of these farmers said to me, almost with tears in his eyes, "We would not defraud the government; in fact we pray every day for this government".

**Mr. McCann:** Most people do.

**Mr. Dinsdale:** And I suggested to him that in view of my knowledge of the situation they had better spend their time praying for the country.

But we will not pursue this matter further at the moment. I think the statement does answer some of the questions asked. There could be further discussion as to detail if time permitted. I should like to emphasize again that I think the educational process is a two-way process; and if assessors will remember that they are the servants, not the masters of the public, some of this friction might be avoided.

**Mr. Macdonnell:** I am told that private soldiers in the reserve army are now being assessed for income tax on their pay, and that

that has now begun after some years during which they were not so assessed. Is that correct?

**Mr. McCann:** The fact is that they were always taxable. The hon. member has referred to their return. When they are back in this country the tax deductions are made at the source.

**Mr. Macdonnell:** No, I am dealing with the reserve army. My understanding is that whether or not they are taxable, the tax has not been exacted. They have not been assessed and they are now automatically to be assessed. Furthermore they are being pursued for the arrears of the years during which they were not assessed. That seems to me a great hardship, if it is true.

**Mr. McCann:** That is hardly correct. They are not being pursued for arrears. It is not likely that they were in arrears because they were always taxable but the deductions were not made. The practice now is that deductions are made from their pay whether they get it monthly or quarterly, just the same as with any other taxpayer.

**Mr. Macdonnell:** Am I wrongly informed when I am told that though taxable the department did not exact the tax from them for this year? Is that in error?

**Mr. McCann:** That is not correct.

**Mr. Harris:** You are in error.

**Mr. McCann:** You are in error. The member of the army is in default; you are not in default. The soldier was probably in default, and they may have gone back on him to collect.

**Mr. Macdonnell:** Just one further question. I want to be quite sure that there is no change in the policy of the department? It is apparently clear there has been no change in the law, but I am informed from a pretty responsible source that there is a change in the policy and that the department, whether they thought it was wise to put the telescope to the blind eye in connection with this matter, did get I suppose very little from their pay as privates. The minister has now told me, as I understand it, there has been no change in policy at all. Is that correct?

**Mr. McCann:** No, just a change in method. John Jones was in the reserve army and he was getting army pay. He put in his return like anybody else at the end of the year, and he paid his tax. Now he gets his pay and deduction is made from each pay, whether it is monthly, quarterly or whatever it is, and sent in to the department. He is in the same position as if he was working for the Massey-Harris Company.

**Mr. Macdonnell:** That may be the explanation.

**Mr. Pallett:** In answer to the question put by the hon. member for Brandon-Souris the minister indicated that as I heard it there were, 14 assessors in Quebec and 80 in Ontario. Is there any explanation for the difference in the number?

**Mr. McCann:** As I explained it at the time, the figures I gave were for three offices in the province of Quebec, at Quebec, Sherbrooke and Montreal. There are ten farm assessors in that group. Then, when you come to Ottawa, the Ottawa office has ten, but they are probably serving as much in Quebec. The offices are not set up within the borders of the provinces. Therefore you cannot compare the ten in the province of Quebec and say that these are all of the Quebec assessors that there are. There are more than that. However, there are more farm assessors in Ontario than in any of the other provinces. We have 11 offices in Ontario. In Winnipeg we have 31; in Regina, 32; in Saskatoon, 23; in Calgary, 20 and in Edmonton, 20. It depends upon where they are needed most.

**Mr. Pallett:** One further question. Can the minister tell me what is the total number of farm assessors in Quebec as opposed to the 80 in Ontario?

**Mr. McCann:** Fourteen as opposed to the 80. If you take another five or six who are working out of Ottawa in the province of Quebec it would probably work out as 20 working in the province of Quebec as against about 70 in Ontario.

**Mr. Pallett:** Is there any explanation for the difference in number? Are there three times as many farmers in Ontario as in Quebec?

**Mr. McCann:** I have not got the statistics here of the number of farmers in either of the provinces, but there are more returns from farmers in the province of Ontario than there would be in the province of Quebec. The situation in Quebec is a different thing. That has to be understood. We have heard that complaint for years with reference to getting after farmers in Alberta and in Saskatchewan. The raising of wheat in these prairie provinces is an industry. In the province of Quebec farming is a way of life, where they raise big families and they do not have any income tax to pay.

**Mr. Pallett:** The baby bonus is supposed to take care of the big families.

**Some hon. Members:** Cheap!

**Mr. Macdonnell:** I notice on page 370 that the number of special investigators has multiplied by two or three times.

**Mr. McCann:** The answer to that, Mr. Chairman, is that it is mostly a change in classification. A lot of these people who are now designated as special investigators were formerly assessors.

Item agreed to.

Taxation division—
*300.* District offices, $23,753,632.

**Mr. Macdonnell:** I have one question about the distribution of forms. It has been suggested to me that not sufficient forms get to certain post offices. Can the minister indicate in a word the system which is used in distributing forms?

**Mr. McCann:** We engage what may be called professionals to do that for us and pay them a fee, and they use the post offices as a distributing centre. It costs the government $420,000 a year to have these forms printed. In order that there might be a better distribution we engage a firm—I have forgotten the name for the moment—and pay them a fee, and they look after the distribution. In most communities they are distributed either through the taxation office, if there is one in the community, or through the local post office in smaller places. Anybody who cannot procure them that way can drop a letter to the department and they are sent to them.

**Mr. Macdonnell:** About half way down page 371 I notice that there is a chauffeur added to the staff who was not there last year. Does that mean that some officer has grown in status to the point that he is entitled to a chauffeur, or is it a general utility one?

**Mr. McCann:** I think we are too frugal in that. We have one automobile for the whole of Canada in the taxation division, and that is in Montreal.

Item agreed to.

Progress reported.

Resolutions reported, read the second time and concurred in.

## BUSINESS OF THE HOUSE

**Mr. Harris:** I move that the house do now adjourn. It would seem that we are narrowing the field of activity considerably, but we shall need a lot of time tomorrow to complete the work before us. We should like to alter the program I have already indicated by taking the post office items first, and then follow in the manner I indicated the other day.

Motion agreed to and the house adjourned at 11.22 o'clock.

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

PRIVY COUNCIL

Governor General and Lieutenant-Governors—

158. Office of the secretary to the governor general, $185,168.

159. To authorize and provide for the reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to a maximum per annum for each as follows: (*a*) where the population of the province at the last decennial census did not exceed 500,000, $5,000; (b) where the population of the province at the last decennial census exceeded 500,000, $5,000 plus $1,000 per each 100,000 or fraction of 100,000 of population over 500,000, but not exceeding $12,000 in any case, $86,000.

Privy council office—

345. General administration, $373,405.

Prime minister's residence—

346. Maintenance and operation, $25,000.

Federal district commission—

347. To provide for maintenance and improvement of grounds adjoining government buildings at Ottawa, and to authorize an amount not exceeding $132,000 for construction, improvements and operation of the parks, parkway system and other works under the control of the federal district commission which is additional to the sum of $300,000 granted by chapter 112, revised statutes, $475,085.

348. Expenses of the national capital planning committee (including expenses of the national capital planning service formerly under Department of Public Works), $95,226.

349. To authorize payment of the seventh instalment to a special account in the consolidated revenue fund, known as the national capital fund, established under vote 809, Appropriation Act, No. 4, 1947-48, $2,500,000.

Privy council office—

700. General administration—further amount required, $5,000.

Federal district commission—

701. To provide for maintenance and improvement of grounds adjoining government buildings at Ottawa—further amount required, $41,715.

702. Expenses of the national capital planning committee—further amount required, $10,079.

703. To authorize the federal district commission to expend for construction, improvements and operation of works under its control, revenues accrued or accruing to the commission from the rental of properties under its control or from other sources, $1.

LEGISLATION

The Senate—

The Speaker of the Senate—

198. Allowance in lieu of residence, $3,000.

199. General administration, $453,249.

House of Commons—

The Speaker of the House of Commons—

200. Allowance in lieu of residence, $3,000.

Deputy Speaker of the House of Commons—

201. Allowance in lieu of apartments, $1,500.

202. General administration—estimates of the Clerk, $1,250,777:

203. Estimates of the Sergeant-at-Arms, $726,540.

204. Subscriptions to publications of the commonwealth parliamentary association to be distributed to members of the House of Commons, and to provide for the Canadian share of expenses of the commonwealth parliamentary association, $10,000.

205. To provide hereby, notwithstanding anything contained in the Financial Administration Act or the provisions of the Senate and House of Commons Act respecting the independence of parliament, for the payment out of the consolidated revenue fund to each member of the House of Commons appointed by the governor in council to be a parliamentary assistant (which appointment shall not render such member ineligible or disqualify him as a member of the House of Commons) to assist a minister of the crown in such manner and to such extent as the minister may determine and to represent his department in the House of Commons in the absence of the minister therefrom, a salary of four thousand dollars per annum and pro rata for any period less than a year, $56,000.

206. To provide for an allowance to the deputy chairman of committees, $2,000.

General—

207. Printing of parliament, including salaries of staff of the joint distribution office, $313,054.

Library of parliament—

208. General administration, $222,836.

Pensions and other benefits—

209. Pension to the unmarried sister of the late Colonel Harry Baker, M.P., $700.

The Senate—

672. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for payment of indemnity to members of the Senate for days lost through absence caused by public or official business, by illness, or on account of death. Payments to be made as the treasury board may direct, $21,000.

673. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the Senate who attended the second part of the first session of the twenty-second parliament which commenced on January 12, 1954, and ended on April 14, 1954, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence after the Easter adjournment of parliament on April 14, 1954, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date, or at any other one time during that session, $5,000.

House of Commons—

674. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment of indemnity to the members of the House of Commons for days lost through absence caused by public or official business, by illness or on account of death. Payments to be made on the recommendation of the board of internal economy and as treasury board may direct. Each such payment to be deemed for the purposes of the Members of Parliament Retiring Allowances Act, to be part of the sessional indemnity of the member for the session in respect of which he received it, $25,000.

675. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the House of Commons who attended the second part of the first session of the twenty-second parliament, which commenced on January 12, 1954, and ended on April 14, 1954, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence after the Easter adjournment of parliament on April 14, 1954, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date, or at any other one time during that session, $20,000.

Library of parliament—

676. General administration—further amount required, $62,010.

DEPARTMENT OF FINANCE

Auditor General's office—

52. Salaries and expenses of office, $673,990.

Insurance—

160. Departmental administration, $497,820.

161. Expenses of work in the interests of fire prevention, $90,288.

General administration—

104. Departmental administration, $1,843,627.

105. Comptroller of the treasury—central office and branch offices administration, $15,028,392.

Administration of various acts and costs of special functions—

106. Superannuation and retirement acts, administration, $451,557.

107. The Bank Act—salaries and expenses of the inspector general of banks' office, $35,670.

108. Administration of the Farm Improvement Loans Act, 1944, and the Veterans' Business and Professional Loans Act, 1946, $86,465.

109. Expenses of the tariff board, $101,993.

Expenses of the Royal Canadian Mint and the assay office, Vancouver, B.C.—

110. Administration, operation and maintenance, $1,145,465.

111. Construction or acquisition of new equipment, $341,535.

112. Administration of employees' instalment purchase plan, including sale and delivery of Canada savings bonds to government employees, and of employees' group insurance plans, $133,451.

Payments to municipalities—

113. Grants to municipalities in lieu of taxes on federal property—to provide for payments to municipalities in accordance with the Municipal Grants Act, and the rural municipal grants regulations established by order in council of August 6, 1952, P.C. 3729; and to provide for payments to municipalities under order in council of July 19, 1950, P.C. 3456, in respect of the cost of medical and hospital services and supplies furnished to federal employees and other persons specified therein, $3,190,000.

Contingencies and miscellaneous—

114. To provide, subject to the approval of the treasury board, for miscellaneous minor and unforeseen expenses including authority to re-use any sums repaid to this appropriation from other

appropriations, and special compensation or other rewards for inventions or practical suggestions for improvements, $1,000,000.

115. Cost of telephone service at Ottawa for all departments, $987,400.

116. Amount required to cover losses incurred on foreign exchange tendered in payment of accounts receivable, $5,000.

General items of payroll costs including superannuation payments—

117. To provide, subject to the approval of the treasury board, for supplementing other votes for the payment of salaries, wages and other paylist charges, $1,500,000.

118. To provide for the government's contribution, as an employer, to the unemployment insurance fund in respect of government employees paid through the central pay office, $1,000,000.

Grants to universities—

119. To provide grants to institutions of higher learning recognized in each province by the government of Canada and the government of the province as being universities or institutions of equivalent standing equal to an amount, for each province, not exceeding 50 cents per head of its population as certified by the dominion bureau of statistics divided among the recognized institutions of the province proportionately to their enrolment of full time intramural students in personal attendance at the recognized institution or at an institution in the same province affiliated with it who are registered in courses of university level recognized as leading to and counting year for year toward a university degree awarded by a university in Canada and the Minister of Finance may for this purpose more particularly define the terms "university level" and "university degree", $7,567,000.

Miscellaneous grants—

120. Canadian general council of the Boy Scouts association, $15,000.

121. Canadian council of the Girl Guides association, $12,000.

122. Royal astronomical society of Canada, $3,000.

123. Royal Canadian academy of arts, $4,025.

124. Canadian writers foundation, $4,000.

125. Boys' clubs of Canada, $10,000.

126. Canadian association of consumers, $6,000.

127. Grants to the British empire and commonwealth games Canada (1954) society to help defray the anticipated operating deficit from the holding of the British empire and commonwealth games in Vancouver in the summer of 1954, $100,000.

128. Grant to the Canadian general council of the Boy Scouts association towards defraying a portion of the operating costs of the eighth world jamboree and international conference to be held in Canada in the summer of 1955, $50,000.

General administration—

652. Comptroller of the treasury—central office and branch offices administration—further amount required, $167,010.

Administration of various acts and costs of special functions—

653. Superannuation and retirement acts, administration—further amount required, $13,837.

Contingencies and miscellaneous—

654. To provide, subject to the approval of the treasury board for miscellaneous minor and unforeseen expenses including authority to re-use any sums repaid to this appropriation from other appropriations, and special compensation or other rewards for inventions or practical suggestions for improvements—further amount required, $500,000.

655. To authorize in respect of fiscal year 1953-54: (a) a reduction of $99,483,323.49 in the amount owing by the old age security fund pursuant to section 11 of the Old Age Security Act, representing the amount of temporary loans made by the Minister of Finance to the fund during the fiscal year 1952-53, and (b) a charge in the amount of the said reduction to the reserve in the accounts of Canada entitled "reserve for possible losses on ultimate realization of active assets", $1.

Miscellaneous grants—

656. To authorize a grant for rehabilitation of the Maison des Etudiants Canadiens in Paris, France, payable in French francs owned by Canada and available only for governmental or other limited purposes, $50,000.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks branch—

National parks and historic sites services—

692. Construction or acquisition of buildings, works, land and new equipment—further amount required, $98,250.

Engineering and water resources branch—

693. To provide for advances made in the fiscal year 1953-54 by the Minister of Finance to the Northwest Territories power commission for power development in accordance with section 15 (2) of the Northwest Territories Power Commission Act, $3,000.

Northern administration and lands branch—

Northern administration division—

Northwest Territories, including Wood Buffalo park and Eskimo affairs—

694. Operation and maintenance—further amount required, $14,932.

695. Construction or acquisition of buildings, works, land and new equipment—further amount required, $581,681.

Forest conservation and wildlife management, including Wood Buffalo park—

696. Operation and maintenance—further amount required, $17,320.

Yukon Territory, including forest conservation—

697. Operation and maintenance—further amount required, $14,000.

698. Construction or acquisition of buildings, works, land and new equipment—further amount required, $51,980.

Loans, investments and advances—

763. To authorize and provide for a continuing special account in the consolidated revenue fund, notwithstanding section 35 of the Financial Administration Act, to be known as the Eskimo loan fund, from which loans or investments may be made to or in respect of individual Eskimos or groups of Eskimos to promote the commercial activities thereof and to provide housing under conditions fixed from time to time by the treasury board and to authorize the crediting to this special account of repayments by or in respect of such individual Eskimo or groups of Eskimos and the readvancing of such moneys; the excess of the amounts charged over the amounts credited to this special account at any time not to exceed $150,000, of which $50,000 has already been provided under vote 546, Appropriation Act, No. 3, 1953, $100,000.

DEPARTMENT OF JUSTICE

Supreme Court of Canada—

164. Administration, $195,485.

Exchequer Court of Canada—

165. Administration, $106,063.

Yukon territorial court—

166. Administration, $16,242.

167. Payments of gratuities to the widows or other dependents of judges who die while in office, $20,000.

Combines Investigation Act—

168. Restrictive trade practices commission, $71,668.

169. Office of investigation and research, $334,580.

170. Bankruptcy Act administration, $42,836.

171. Northwest Territories—administration of justice, $66,530.

172. Yukon Territory—administration of justice, $49,080.

General—

173. Expenses of committee appointed to advise on principles and procedures relating to remission service, $10,000.

B—Penitentiaries—

174. Administration of the office of the commissioner of penitentiaries, including $40,000 for grants to recognized prisoners' aid societies, as may be approved by the treasury board, $375,296.

175. Operation and maintenance of penitentiaries, including supplies and services relating thereto; administration, operation, repair and upkeep of buildings, works and equipment; maintenance, discharge and transfer of inmates; compensation to discharged inmates permanently disabled while in penitentiaries, $8,497,572.

176. Construction, improvements and new equipment, including provision for the establishment and construction of a new institution in the province of Quebec for the confinement and reformation of federal prisoners, $1,362,830.

Royal Canadian Mounted Police—

Headquarters administration, national police services and training establishments—

407. Administration, operation and maintenance, $7,223,936.

408. Construction or acquisition of buildings, works, land and new equipment, $972,918.

Land and air services—

409. Operation and maintenance of divisions, $23,488,839.

410. Construction or acquisition of buildings, works, land and new equipment, $3,779,049.

Marine services—

411. Operation and maintenance, $1,385,264.

412. Construction or acquisition of buildings, works, land and new equipment, $377,100.

413. Grant to the chief constables' association of Canada, $500.

414. Grant to the Royal North West Mounted Police veterans' association, $300.

Pensions and other benefits—

415. Pensions to families of members of the mounted police who have lost their lives while on duty, as detailed in the estimates, $6,439.

416. Pension to Basil Burke Currie, $685.

A—Department—

Combines Investigation Act—

664. Restrictive trade practices commission—further amount required, $12,000.

665. Office of investigation and research—further amount required, $43,000.

General—

666. Expenses of committee appointed to advise on principles and procedures relating to remission service—further amount required, $7,000.

667. Expenses of the royal commission on the law of insanity as a defence in criminal cases and on the criminal law relating to criminal sexual psychopaths, $72,250.

B—Penitentiaries—

668. Construction, improvements and new equipment, including provision for the establishment and construction of a new institution in the province of Quebec for the confinement and reformation of federal prisoners—further amount required, $239,848.

Royal Canadian Mounted Police—

Headquarters administration, national police services and training establishments—

723. Administration, operation and maintenance—further amount required, $60,000.

Land and air services—

724. Operation and maintenance of divisions—further amount required, $393,759.

725. Construction or acquisition of buildings, works, land and new equipment—further amount required, $127,834.

Marine services—

726. Construction or acquisition of buildings, works, land and new equipment—further amount required, $225,000.

Pensions and other benefits—

727. Government's contribution to the Royal Canadian Mounted Police pension account, $691,648.

DEPARTMENT OF NATIONAL REVENUE

Taxation division—

299. General administration, $2,413,361.

300. District offices, $23,753,632.

Income tax appeal board—

301. Administration expenses, $74,920.

# HOUSE OF COMMONS

**Thursday, June 24, 1954**

The house met at eleven o'clock.

## LIBRARY OF PARLIAMENT

CONCURRENCE IN REPORT OF CIVIL SERVICE COMMISSION

**Mr. Speaker:** I have the honour to lay on the table the report of the civil service commission respecting the transfer of certain employees of the House of Commons to the staff of the library of parliament.

**Hon. J. W. Pickersgill (Secretary of State):** Mr. Speaker, if I can have the leave of the house I should like to move:

That the report of the civil service commission respecting the transfer of certain employees of the House of Commons to the staff of the library of parliament, tabled this day, be now concurred in.

Motion agreed to.

## REPORTS AND PAPERS

TABLING OF REPORT OF CANADIAN MARITIME COMMISSION

**Hon. Lionel Chevrier (Minister of Transport):** Mr. Speaker, I beg leave to table in manuscript form the seventh report of the Canadian maritime commission covering the period between April 1, 1953, and March 31, 1954.

**Mr. Green:** Will copies be available for members?

**Mr. Chevrier:** Yes, just as quickly as they can be printed.

## COLOMBO PLAN

CONSULTATIVE COMMITTEE TO MEET IN OTTAWA OCTOBER 4 TO OCTOBER 9

**Hon. L. B. Pearson (Secretary of State for External Affairs):** Mr. Speaker, I would like to inform the house at this time that the annual meeting of the Colombo plan consultative committee will be held in Ottawa from October 4 to October 9. Previous meetings have been held in Sydney, London, Colombo, Karachi and New Delhi.

The countries participating in or associated with the Colombo plan now include Australia, Burma, Cambodia, Ceylon, India, Indonesia, Laos, Nepal, New Zealand, Pakistan, the United Kingdom, the United States and Viet Nam. Dependent territories of the United Kingdom in southeast Asia—the Federation of Malaya, Singapore, Brunei, North Borneo and Sarawak—also fall within the scope of the plan. Thailand and the Philippines have sent observers to some previous meetings of the consultative committee and have been invited to send representatives to the Ottawa meetings.

I am sure hon. members will be glad to know that it is intended that the meetings should be held in this building, with the consent of the Speakers of both houses. It is expected that the opening session, which will be held in this chamber, will be addressed by the Prime Minister (Mr. St. Laurent) and by leaders of some of the visiting delegations.

The Colombo plan, which was framed to cover the six-year period from June 1951 to June 1957, is now in its third year. The consultative committee meets annually to discuss common problems, to review the progress of economic development and basic economic trends in countries of the Colombo plan area, and to survey the contributions which member countries are making to economic development in this region. A progress report by the consultative committee is published at the conclusion of the meetings. I am confident that the Ottawa meeting, like previous meetings, will be of real value to all the Colombo plan countries, and I know that I speak for all members of the house when I say that we are very glad that we shall have the privilege of receiving the members of the committee in Ottawa next fall.

*(Translation):*

## HOUSE OF COMMONS

CELEBRATION OF FEAST OF ST. JEAN BAPTISTE

**Mr. Maurice Boisvert (Nicolet-Yamaska):** Mr. Speaker, I could hardly let the feast of St. Jean Baptiste go by without extending my best wishes to all my French-speaking compatriots in this house. On the occasion of this, their national holiday, I would like to say to all my French-speaking fellow citizens, first how sorry we are to be unable to take part in the celebrations which are now taking place in the province of Quebec and throughout the country, next that we who are at this time sitting in this parliament have now and always have had the greatest

regard for them, a regard which is inspired by the best traditions of this country and which is such that we never fail to put their interest above everything.

In conclusion I wish to say that this feast is of very great importance for our compatriots. I should therefore like to pray our blessed patron saint to keep them in this confederation of ours, a durable institution which they could not do without.

**Mr. Speaker:** Normally it would be out of order to extend greetings of this kind and if, in these dying days of the session, I might have proved to be somewhat negligent, I trust St. Jean Baptiste will forgive me.

*(Text):*

## QUESTIONS

### C.B.C. TELEVISION STATION, WINNIPEG

**Mr. Thatcher:**

1. What was the total cost of the Canadian Broadcasting Corporation's television installation in Winnipeg, including building, transmitter, tower, ground system and studio equipment?
2. Were tenders called for this installation?
3. If so, was more than one received?
4. On what basis was the tender or tenders awarded?
5. Who drew up the specifications for buildings and equipment?
6. Were these specifications checked or reviewed by any outside source or authority?

**Mr. McCann:**

1. This project is not completed although the station is already on the air with limited facilities. Orders and contracts have been or will soon be placed for the additional facilities required. Actual disbursements to May 1, 1954, were $153,000.

2. Yes.

3. Yes.

4. On the basis of the lowest quotation meeting the corporation's specifications and requirements.

5. The corporation's architects and engineers.

6. The antenna system has been checked by an outside consulting engineering firm. Structural designs and specifications are approved by municipal authorities concerned.

### C.B.C. TELEVISION STATION, HALIFAX

**Mr. Thatcher:**

1. What was the total cost of the Canadian Broadcasting Corporation's television installation in Halifax, including building, transmitter, tower, ground system and studio equipment?
2. Were tenders called for this installation?
3. If so, was more than one received?
4. On what basis was the tender or tenders awarded?
5. Who drew up the specifications for buildings and equipment?
6. Were these specifications checked or reviewed by any outside source or authority?

**Mr. McCann:**

1. This project is still in the early stages. Equipment has been ordered and construction of the transmitter building is scheduled to start in August. Actual disbursements as of May 1, 1954, were $12,000.

2. Yes.

3. Yes.

4. On the basis of the lowest quotation meeting the corporation's specifications and requirements.

5. The corporation's architects and engineers.

6. The antenna system has been checked by an outside consulting engineering firm. Structural designs and specifications are approved by municipal authorities concerned.

### LAND RECLAMATION, KINGS AND ANNAPOLIS COUNTIES, N. S.

**Mr. Balcom:**

What expenditures have been made or are to be made for reclamation of land in Kings and Annapolis counties in Nova Scotia (a) 1952; (b) 1953; (c) 1954?

**Mr. McCubbin:**

(a) 1952-53: Annapolis county, $47,173.45; Kings county, $47,148.53.

(b) 1953-54: Annapolis county, $150,233.64; Kings county, $16,178.36.

(c) 1954-55 (estimated): Annapolis county, $63,000.00; Kings county, $32,000.00.

### MANITOBA WHEAT POOL, 1952-53

**Mr. Argue:**

1. How many bushels of wheat by grade and condition from No. 1 northern to feed wheat were received at local shipping points from farmers for the crop year 1952-53 from the Manitoba wheat pool?
2. How many bushels of wheat by grade and condition from No. 1 northern to feed wheat were in store with this company at (a) the beginning of the crop year 1952-53; (b) the end of the crop year 1952-53?
3. How many bushels of wheat by grade and condition were delivered by this company (a) to fill domestic orders to mills and other customers in Canada; (b) from the terminal elevators owned and operated by this company or diverted or transferred by it to other terminals?

**Mr. Howe (Port Arthur):** Mr. Speaker, question No. 8 requests information about the operations of a private grain company. It has never been our policy to answer questions of that type. I had hoped the hon. member for Assiniboia (Mr. Argue) would be in his place when I made this explanation. However, I do

so now. The same explanation also applies to questions Nos. 9 and 10 and I would ask that they all be dropped.

**Mr. Speaker:** Question No. 8 dropped.

SEARLE GRAIN COMPANY, 1952-53

**Mr. Argue:**

1. How many bushels of wheat by grade and condition from No. 1 northern to feed wheat were received at local shipping points from farmers for the crop year 1952-53 by the Searle Grain Company?
2. How many bushels of wheat by grade and condition from No. 1 northern to feed wheat were in store with this company at (a) the beginning of the crop year 1952-53; (b) the end of the crop year 1952-53?

*Questions*

3. How many bushels of wheat by grade and condition were delivered by this company (a) to fill domestic orders to mills and other customers in Canada; (b) from the terminal elevators owned and operated by this company or diverted or transferred by it to other terminals?

**Mr. Speaker:** Dropped.

POPULATION STATISTICS

**Mr. Tucker:**

1. What is the population of Canada and of each province according to the most recent estimate of the bureau of statistics?
2. What was the population of Canada and of each province as shown by the census of 1941?
3. What was the percentage of increase in each case?

**Mr. Dickey:** 1, 2 and 3:

Population, Canada and provinces, at 1941 census and latest estimate

| Province | Population June 2, 1941 (Census) | Population June 1, 1953 (Estimate) | Percentage increase |
|---|---|---|---|
| Canada | ..... | 14,781,000 | |
| Newfoundland | ..... | 383,000 | |
| Canada (excluding Newfoundland) | 11,506,655 | 14,398,000 | 25·1 |
| Prince Edward Island | 95,047 | 106,000 | 11·5 |
| Nova Scotia | 577,962 | 663,000 | 14·7 |
| New Brunswick | 457,401 | 536,000 | 17·2 |
| Quebec | 3,331,882 | 4,269,000 | 28·1 |
| Ontario | 3,787,655 | 4,897,000 | 29·3 |
| Manitoba | 729,744 | 809,000 | 10·9 |
| Saskatchewan | 895,992 | 861,000 | −3·9 |
| Alberta | 796,169 | 1,002,000 | 25·9 |
| British Columbia | 817,861 | 1,230,000 | 50·4 |
| Yukon | 4,914 | 9,000 | 83·2 |
| Northwest Territories | 12,028 | 16,000 | 33·0 |

RIVIERE-DU-LOUP—LEGAL AGENTS EMPLOYED

**Mr. Pouliot:**

What are the departments, commissions, boards, or crown companies who have employed legal agents from Rivière-du-Loup outside the civil service, since 1949?

**Mr. Garson:**

Department of Agriculture.
Department of National Health and Welfare.
Department of National Revenue.
Department of post office.
Department of Transport.
Royal Canadian Mounted Police.
Central Mortgage and Housing Corporation.
Unemployment insurance commission.
Foreign exchange control board.
Wartime prices and trade board.

OLD AGE SECURITY—LIENS COLLECTED

**Mr. Hansell:**

1. How many liens have the government collected on estates of old age pensioners under the Old Age Pensions Act, since the Old Age Security Act came into force?
2. What is the total amount collected?
3. What amounts were collected from each province?

He said: I was able to get the information I required, Mr. Speaker. I would suggest that this question be dropped.

**Mr. Speaker:** Dropped.

*Inquiries of the Ministry*

SASKATCHEWAN POOL ELEVATORS LIMITED, 1952-53

**Mr. Argue:**

1. How many bushels of wheat by grade and condition from No. 1 northern to feed wheat were received at local shipping points from farmers for the crop year 1952-53 by Saskatchewan Pool Elevators Limited?
2. How many bushels of wheat by grade and condition from No. 1 northern to feed wheat were in store with this company at (a) the beginning of the crop year 1952-53; (b) the end of the crop year 1952-53?
3. How many bushels of wheat by grade and condition were delivered by this company (a) to fill domestic orders to mills and other customers in Canada; (b) from the terminal elevators owned and operated by this company or diverted or transferred by it to other terminals?

**Mr. Speaker:** Dropped.

C.B.C.—DOMINION NETWORK

**Mr. Fulton:**

1. Is the Canadian Broadcasting Corporation now reviewing, or has it completed a review of, network radio broadcasting in Canada which has in its ambit the possibility of eliminating the dominion network?
2. In the light of statements made by the Minister of National Revenue from time to time that the Canadian Broadcasting Corporation is not any agency of government but an independent operating entity, responsible to parliament, would such a decision be a matter of government policy or one to be determined by the corporation?
3. Has a decision in this matter yet been reached?
4. If so, what is the decision?

**Mr. McCann:**

1. Yes.
2. By the corporation.
3. Yes.
4. To continue the operation of the dominion network to the fullest extent possible.

## HOUSING

CENTRAL MORTGAGE AND HOUSING —DIRECTIVE RESPECTING PINE BOARD ROOFING

On the orders of the day:

**Mr. J. R. Garland (Nipissing):** Mr. Speaker, may I direct a question to the Acting Minister of Public Works. Has the Central Mortgage and Housing Corporation recently issued instructions that pine boards for roofing on houses constructed under the National Housing Act shall not be wider than eight inches? If so, has consideration been given to the adverse effect this order may have on the lumber trade in Canada?

**Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works):** I wish to thank my hon. friend for having given me notice of this question. I understand that such instructions were contained in a directive to inspectors which was issued two months ago. The new national building code, which has been under study and preparation for some years, was issued on June 1 by the national research council, providing that such roofing should not be wider than six inches. As the code is adopted by municipalities, Central Mortgage and Housing Corporation will, of course, conform to its provisions.

In the meantime, we shall continue to give consideration to the question as to what effect this directive may have on the lumber trade.

## ST. LAWRENCE SEAWAY

REFERENCE TO PRESS REPORTS RESPECTING APPOINTMENTS TO AUTHORITY

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** I wish to direct a question to the Prime Minister. In view of the fact that there is reason to believe that appointments will be made to the St. Lawrence seaway authority before next session, and further, in view of the statement in today's *Globe and Mail* as well as in other newspapers that Mr. R. A. C. Henry is likely to be appointed to the St. Lawrence seaway authority, can the Prime Minister assure us that such appointment will not take place in view of other positions which would be in conflict with such an appointment?

**Right Hon. L. S. St. Laurent (Prime Minister):** Mr. Speaker, I have not seen the article or the report in the *Globe and Mail.* I do not think that I quite appreciate what the hon. gentleman is referring to as something that would make it unwise to have Mr. Henry appointed to that board. I know of no such consideration. However, I can assure the hon. gentleman that no decision has been reached yet and that in making appointments to that board, the government will endeavour to give consideration to every factor that could possibly affect the efficiency and the prestige of the board.

**Mr. Drew:** In view of the fact that the Prime Minister has indicated that he is not aware of the reason for caution that I suggested, I would point out that, as of present record, Mr. R. A. C. Henry is shown as being a director of Marine Industries Limited, which is a company whose powers are such that Mr. Henry's position in the case noted would obviously conflict with an appointment such as that to the St. Lawrence seaway authority.

**Mr. St. Laurent:** Mr. Speaker, I am sure that Mr. Henry, if he were to become a member of that authority, would feel that nothing should be left behind that would in any way

reflect upon the complete independence and objectivity of the actions of that authority.

## FLOODS

REPORTED DAMAGE IN NORTHEASTERN SASKATCHEWAN

On the orders of the day:

**Mr. A. M. Nicholson (Mackenzie):** I should like to direct a question to the Minister of Agriculture. Has the minister received a telegram from Weekes, Saskatchewan, suggesting that a flood disaster area be declared as the result of the flood damage in northeastern Saskatchewan?

**Right Hon. J. G. Gardiner (Minister of Agriculture):** I have a telegram which I received from a municipality in that area. I may say that when I was passing through Regina last Monday I met the minister of highways of the province of Saskatchewan. He had just been up to Weekes or at least he had been there a short time before and he described to me the condition which exists there. I am quite sure that the hon. member understands that this is a matter which is dealt with by the provincial authorities. Any representations that would be made to us eventually would come from the provincial authorities rather than from elsewhere.

## VETERANS LAND ACT

STATEMENT ON EARLY CIRCULATION OF ACT WITH AMENDMENTS

On the orders of the day:

**Mr. C. E. Bennett (Parliamentary Assistant to the Minister of Veterans Affairs):** Mr. Speaker, yesterday the hon. member for Kootenay West (Mr. Herridge) inquired as to when copies of the Veterans Land Act as amended will be available. I am informed that it is hoped that these copies will be ready for distribution within two or three weeks after Bill No. 459 receives the royal assent. In the meantime V.L.A. representatives in the field have been notified and instructed as to the new amendments, and I can assure the hon. member that there will be no delay whatsoever in implementing this new and important legislation.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

POST OFFICE DEPARTMENT

*342.* Operations—including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, also including administration; and including, notwithstanding section 16 of the Civil Service Act, payment, in such amount or amounts as may be approved from time to time by the treasury board, to civil servants who are hired as casual employees, $76,007,630.



**Mrs. Fairclough:** There are one or two questions I should like to ask on this item. In the first place I notice that the department has increased staff by the addition of 5 mail transportation officers. I should like the minister to tell us just what the duties of these officers are. It looks like the creation of a new position. There is another item to which I desire to refer. I believe I mentioned it on the first item of the estimates. I refer to what are now called senior transcribers. It would appear that this is a new classification. They are probably the same employees transferred from the classification formerly described as stenographers grade 2B and grade 2A and now to be known as senior transcribers, grade 2 and grade 1. If the minister would explain these changes in staff, I am sure the committee would be interested.

**Mr. Cote:** The employees of the department doing typing and stenographic work are reclassified on the basis of their competence and general efficiency over a six-month period. This classification scheme has worked exceptionally well and has permitted a reduction in the total number of stenographic positions. Hon. members will notice a reduction from 146 to 139 in the number of positions. At the same time it permits the better workers to receive some adjustment in their salaries based on their competence and efficiency. As far as the transportation officers are concerned, they are engaged in the implementation of the Woods-Gordon report.

**Mrs. Fairclough:** I presume the position of senior transcriber is a new classification—

**Mr. Cote:** A new classification.

**Mrs. Fairclough:** —which has been introduced because these people have reached the last bracket in the stenographic classification. Is that correct?

**Mr. Cote:** Not exactly. It is a reclassification by the civil service commission based on the efficiency of the employees.

**Mrs. Fairclough:** I am sure I know what the minister means by that, but there is one other item about which I should like to speak. I notice that the boot allowance is $222,000 and was the same last year. Will the minister tell us how much each man receives in boot allowance, whether the amount has been increased and when, and how much of the $222,000 was expended last year?

**Mr. Cote:** The boot allowance is $15.60 twice yearly, and the last one was paid in May, 1954.

**Mrs. Fairclough:** How much of the total of $222,000 was expended? What was the actual amount paid to all employees as boot allowance?

**Mr. Cote:** The total amount for the year 1953-54 is $205,780.

**Mrs. Fairclough:** Perhaps the minister will tell me whether the amount of $15.60 twice yearly is the same amount that has been paid for years and years or if there has been an adjustment in the amount in the last few years when the price of all clothing has gone up considerably. I should also like to know if the boot allowance is supposed to cover the entire cost of the shoes, boots, rubber footwear and so on that the postal carriers are required to purchase for their use in the course of their duties.

**Mr. Cote:** To answer the first part of the question, it has varied from year to year and it is only for boots. The amount is fixed after inquiry as to the purchase price for similar articles.

**Mrs. Fairclough:** When was it last raised?

**Mr. Cote:** It has been practically the same for the last two years. I am sorry I have not got the figures for the previous year.

**Mrs. Fairclough:** The last item in the list of details on page 416 is uniforms and letter carrier satchels, and the amount is reduced from $697,000 to $263,000. I understand that is because uniforms are supplied every second year. I have had some little experience with the Post Office Department and its employees and I have some knowledge of the uniforms that have been supplied. This leads me to ask the minister a question which he may think is facetious, but I assure him it is not intended as such. In view of the classification here, I wonder whether the uniforms are made by the same people who make the letter carrier satchels. If so, are they primarily makers of uniforms or makers of letter carrier satchels?

**Mr. Cote:** The uniforms are made by a firm which specializes in that sort of work. It is done after an inquiry has been made and an understanding reached. A meeting is held at which the employees are represented.

**Mrs. Fairclough:** If the minister will inquire into the matter a little bit he will find that the measurements are taken in a very offhand manner. I think about thirty seconds per employee is the time spent on that, and the uniforms really would fit better if they were just made in small, medium and large sizes. In fact, I suspect that is about how they are made and that the manner of taking measurements is a camouflage. I would advise the minister to inquire into that matter and to actually talk to some of the postal carriers. I know that much of the information that reaches him reaches him through the usual channels, and probably by the time it gets to him it is slightly coloured. I am often interested to hear the minister say that such and such took place after consultation with the employees. Then I get an entirely opposite story from some of the employees, and I have had sufficient experience with employee relations to realize that when a story goes through several hands it may have a slightly different complexion by the time it reaches the head than it had where it started. But quite apart from the abominable fit of these uniforms, does the minister not think that it might be well to separate these two articles? It seems to me it might be better to put uniforms and boot allowance together. I cannot see that uniforms and letter carrier satchels have any relation to each other.

**Mr. Cote:** I understand the natural taste for fashion of my hon. friend. I think she will understand that it is very hard to have employees all over the country of the same stature. But we are doing our best to make the uniforms suitable. There is a special board on which the employees have their representatives, and it is through consultation with these representatives that we come to a decision as to the types of uniform. If there are some who are not satisfied they have every right to complain to this board. If my hon. friend has some special names in mind, I will be glad to receive them personally, and if there is really something that can be corrected we will be pleased to investigate and make the correction.

**Mrs. Fairclough:** Mr. Chairman, I think that is a rather poor excuse because the transportation companies, the fire departments and police departments of the various cities manage to take measurements of their employees and supply them with uniforms which look neat. If I might say one last word on this subject, I think the letter carriers' satchels fit better than the uniforms in most cases.

**Mr. Noseworthy:** I wonder whether the Postmaster General has any information as yet as a result of his check-up on working conditions in the Fleet street post office in Toronto which he undertook some weeks ago.

**Mr. Cote:** The committee is still working on this question and they have not yet filed their final report.

**Mr. Noseworthy:** I have just one other question. I wonder whether the minister could enlighten us on the mysteries of the classifications of employees in the post office? I note, for instance, the postal staff ranges all the way from grade 1 to grade 14. Is that general in other departments or is it applicable only to the post office? I further note that a grade 14 postal employee gets about the same salary as grade 7 in other departments. Now, it is a great mystery to me. I do not know whether it is to the Postmaster General, but perhaps he can enlighten us on that.

**Mr. Cote:** The technical classifications are made by the civil service commission and relate only to the Post Office Department, but the clerical classifications relate to all departments.

**Mr. Michener:** I have two or three items to take up with the minister. By way of introduction, I should like to thank him for his courtesy in dealing with the rather minute complaints I have passed on to him from time to time, and which he endeavoured to investigate. In the departmental estimates I see there is an item for $192,000 for films, displays, advertising and other informational publicity. This amounts to something more than 10 per cent of the administration expenses, and I wonder if the minister would indicate what amount was spent under that heading last year. What films were made and for what purpose?

**Mr. Cote:** The item of $192,000 covers all the following items: advertising, general, $100,000; advertising, Christmas, $40,000; films, national film board, annual Christmas trailer, $2,500; "all-up" film, nothing this year; postal exhibits, displays and floats, $12,000; photography, national film board, $2,500; art work on posters and exhibits, $3,500; truck signs, $4,300; meals of employees while on duty at postal exhibits, $700; "teamwork pays" series of posters and management bulletins purchased from G. Wilson Co. of Toronto. The posters are directed towards building employee morale, and bulletins are for supervisors on proper handling of employees. This program is in effect at headquarters, Edmonton, Calgary, Winnipeg and Toronto with the possibility of extension to other centres, $10,000; motion signs for post office lobbies, $2,000; "Canada Welcomes You", a pamphlet handed to tourists at border points and containing information about postage rates, $3,500; householder leaflets concerning "mail early" programs, distribution 3 million, $10,000; householder leaflet concerning postal zones, $1,000. This brings the total to $192,000.

**Mr. Michener:** Would the minister indicate the purpose of the newspaper advertising involving $100,000.

**Mr. Cote:** It is to keep the public informed about postal rates, early mailing notices, changes in hours and all sorts of postal matters.

**Miss Bennett:** Following upon the question of the hon. member for St. Paul's, I should like the minister to tell us how he chooses the media through which he does the advertising concerning changes in rates or notices about Christmas mailing. For instance, I have in mind that on or about April 1 there were several advertisements appearing in various newspapers in the county in which I live, but I observed there was no advertising in the local paper in Georgetown which serves a community of from 3,500 to 4,000. If we are to advertise efficiently, it seems to me the department should be advertising in all the local papers. Would the minister tell me how this choice is made?

**Mr. Cote:** It is done through the A.B.C. circulation by an advertising company. We do the advertising through the Walsh advertising company in Montreal and Toronto. They have to establish certain lines of demarcation. As an example, if a newspaper has no bona fide subscribers it is not considered, because that is one of the conditions necessary to be classified by A.B.C. We are not doing it ourselves; we are doing it through an advertising agency which considers all the qualifications of the respective newspapers.

**Miss Bennett:** It would seem to me, Mr. Chairman, that is a very arbitrary and unfair way of choosing a method of advertising, that is through the audit bureau. I take it that is what the minister indicates. The newspapers are not necessarily all members of this audit bureau, and does that mean those newspapers that do not happen to be members of the bureau get no advertising?

**Mr. Cote:** We have only a small amount of money to cover this advertising. If we had enough money to spend, and if we considered it advisable to spend that money, we could probably give this advertising to all the local newspapers. The advertising company has to find a way to make a choice, and that choice is made on the basis of circulation and experience, which might place some newspapers in a higher class than the others.

**Miss Bennett:** I appreciate that there should be economy in the department, and particularly in the spending of the public's

money, but I am not sure we are getting the most efficient service when we observe Post Office Department notices can appear in papers serving perhaps from 1,500 to 2,000, while a newspaper serving a community of from 3,500 to 4,000 gets no advertising at all. I think that does not work toward efficiency in the department. These advertisements mean a great deal to the local weekly papers and, if possible, some fair way of allotting advertising should be undertaken by the minister. I say that just by way of suggestion to him, because it means a great deal to these local weekly papers. They give a very fine service in getting information out to the public, and keeping the public informed. I suggest that the minister and those in his department should look into the possibility of placing in the hands of those weekly newspapers any business that could be given to them, keeping in mind always the principles of sound business practice.

May I say that the minister has always been most kind to me in any communications I have had with him, and I would appreciate his giving this matter his consideration on behalf of all the weekly newspapers throughout the country. I suggest to him that it is an important matter.

**Mr. Cote:** I wish I could fulfil the hon. member's suggestion, for which I thank her. However, as a department we are not experts in advertising, and that is why we rely upon agencies. If there is anything that can be done along the lines suggested by the hon. member, we will look into it.

**Mr. Michener:** Mr. Chairman, the second item to which I wish to refer is one which has been raised by the Auditor General, and to which I referred earlier in the session. At page 38 of the Auditor General's report a suggestion is made to the Post Office Department which it seems to me has considerable merit as a means of effecting economy.

As hon. members know, the department had to come to parliament asking for an increase in rates to offset the heavier expenditures as a result of which, it was indicated, the department would have operated at a loss. So that every economy I suggest is worthy of careful attention.

The one I have in mind is related to the post office savings bank which has been carrying on for a great many years and in many communities and local areas and has fulfilled a useful service. This is particularly true where there are no branches of chartered banks readily available. I am not suggesting therefore that the service be discontinued. The point to which the Auditor General calls attention is that out of 278,000 accounts, 150,000 are inactive, the money involved having remained in that status for years.

He gives an illustration of an account opened in 1878 with a deposit of $700, in which there have been no transactions since that time. I would suppose that after this interval of time the depositor is dead. After some decades of bookkeeping, the adding of interest and the occupying of the time of employees in the post office bank to no good purpose, the balance in that account now stands at $5,448.

Hon. members will have in mind the fact that the Bank Act provides a scheme for dealing with unclaimed deposits held in the chartered banks. Interest is added for ten years, and then the account is transferrred to the Bank of Canada. The Auditor General suggests that the same procedure could be applied to the post office savings bank, with substantial reductions in the unnecessary carrying of small accounts which are dead.

This might give rise to a review of the postal savings offices now maintained, because where there are adequate banking facilities it is difficult to see how the post office savings bank is required. Certainly there is no advantage in the interest rate allowed, because I believe it stands at 2 per cent, just as it is in the savings accounts in the chartered banks. If there are chartered banks and trust companies operating savings accounts readily available in a community, it seems to me that this duplication of banking facilities might very well be avoided by having many of these offices closed, thus leaving the business to the chartered banks—keeping in mind always the fact that communities in which banking facilities are not available should not be deprived of those facilities.

I rise at this point because I notice the business of the postal savings offices has dropped off very substantially. In fact, looking over the report of the Post Office Department—I do not have it before me this morning—it becomes apparent that there is no great demand for this type of savings office. Withdrawals in the last ten years have almost equalled deposits, and it does not look as though the public requires this service that is now being maintained. Certainly it does not require the maintenance of accounts which long since have ceased to be active. I do recommend this to the minister for his consideration as a very direct way of effecting an economy in the department.

If the minister has no comment I have one further point.

**Mr. Cote:** I am glad the hon. member has brought this matter to my attention. He may rest assured that all the points he has raised,

as set out in the Woods-Gordon report, have been considered, and are continually under consideration by the department.

**Mr. Michener:** When parliament meets again we will look forward to some action having been taken.

**Mr. Cote:** If the hon. member wishes, I could give an explanation right now, although I would not want to lengthen debate unnecessarily. It can be pointed out however that the Woods-Gordon report indicated that the cost of operation of the savings bank has been estimated by the cost ascertainment division of the department to amount to $377,000 annually. It has been repeated several times and quoted as the amount which would be saved if the bank were discontinued. Such is not the case.

The $377,000 mentioned covers not only the employees actually engaged full time on savings bank work at headquarters of the department but also employees in post offices, who spend a small portion of their time on savings bank work. It also covers a proportion of the salaries of administrative officers at headquarters and at various district offices and post offices in the field.

If the bank were discontinued it would not be possible to make a saving of $377,000. It would not be possible to make an immediate saving of the total expenditures at headquarters.

It should also be taken into consideration that the money now on deposit is obtained at a cost of 2 per cent for interest, plus less than 1 per cent for all administration costs. This should be compared with the higher administration costs and possibly higher rates for funds borrowed by the government from other sources.

The savings bank is utilized a great deal by a certain sector of the Canadian public who have always been accustomed to a government savings bank. Furthermore, at points where we have military camps the savings bank is unquestionably a desirable and well utilized service.

This is why at the present time we have decided not to discontinue the savings banks. The hon. member has brought up the question of "closed" accounts, and we are actually investigating each case. We are constantly considering the whole question so that, if it is necessary to make a change, we shall have all the information.

**Mr. Michener:** I am not advocating the discontinuance of the post office savings bank because, as I said in opening my remarks, I believe it performs a necessary service in some communities. But it seems to me that 150,000 inactive accounts out of a total of 278,000 leaves a good deal of room for economy such as the Auditor General has recommended. The service is already being given by the chartered banks.

**Mr. Cote:** The cases to which the hon. member has referred are gradually being investigated.

**Mr. Michener:** This involves a change in the law for which a pattern has already been set. Those of us who served on the banking and commerce committee were told what the chartered banks do with their accounts after they have become inactive for a period of ten years. It is a matter of bringing the post office savings department under that.

**Mr. Noseworthy:** Is there any special expense incurred by the Post Office Department in looking after these inactive accounts, or any disadvantage in the government having these deposits?

**Mr. Cote:** Very little.

**Mr. Noseworthy:** I can see no reason why that money should not lie in a government account as well as in a private-bank account.

**Mr. Michener:** To keep the record straight, I am not suggesting that it lie in a private-bank account. If an account in a private bank is inactive for ten years it is transferred to the Bank of Canada and becomes a government account. I am suggesting it could be transferred from one government account to another government account where, as an inactive account, it could be handled more cheaply.

Item agreed to.

343. Transportation—movement of mail by land, air and water, including administration, $48,524,258.

**Mr. Nowlan:** This item covers transportation of mail by land, air and water, and also administration. There is one matter to which I should like to draw the attention of the minister in this connection. It is a matter within my personal experience, which happened during the past few weeks. In May of this year it was necessary for me to send some passports down to Montreal to a friend of mine who was leaving for Europe. I did not have time to send the passports to Wolfville and I arranged to send them to my friend in Montreal and have him pick them up there prior to his sailing for Great Britain.

On Thursday evening, May 27, at ten o'clock, I mailed in the post office here in this building a special delivery registered letter addressed to my friend in Montreal at Notre Dame de Grace. The letter arrived

in Montreal at 1.40 a.m. on Friday, the 28th. I heard no more about the matter until, on the following Wednesday, my friend phoned me from Montreal. He was not in hysterics, but under a reasonable degree of excitement, in view of the fact that he was sailing that night and there were no passports. I got in touch with the assistant postmaster here who was most co-operative. He got Mr. Dempsey of the investigation branch of the Post Office Department, who was certainly very co-operative and very efficient. To make a long story short, Mr. Chairman, at two o'clock on Wednesday afternoon Mr. Dempsey located this letter lying in the Notre Dame de Grace post office. It had been there from Friday night until Wednesday. I could have walked to Montreal in that time. It was raining, and I would have had to walk rather slowly, but I could have walked to Montreal in a rainstorm, delivered the letter and been back here and had a good night's sleep in that time. As a matter of fact, probably I could have made two journeys. There is something radically wrong with a special delivery system that works in that way. It is true the mail courier called at this home and there was nobody there. I am not in a position to comment on that. The people who were in the home say that there was always someone there.

I wonder just what the regulations are. I understood that if somebody called with a special delivery letter and made some memo it should have been left. I understood that they were required to call at least twice. This envelope has marked on it "one call" and somebody initialed it. I hardly think that is the worst of it. Mr. Dempsey was able to locate this letter shortly before two o'clock on Wednesday afternoon. My friend was sailing that night. Mr. Dempsey told me himself that the postmaster in Notre Dame de Grace said it was impossible to deliver the letter until the next morning. That would be on Thursday. I want to be fair. He said: "If you want to have that done now I will issue special instructions to have that done." Why in the name of common sense would it be necessary to have to get special instructions issued to deliver something which has already been lying around there for five days? I have heard a lot about the forty-hour week, the five-day week and the eight-hour day, but I wonder what hours are in force when at two o'clock in the afternoon a letter which has been missing for five days is discovered and they say: "Well, we are sorry we cannot deliver this until the next morning", despite the fact that I spent about $20 in telephone calls getting in touch with various parties and telling my friend to sit there in Montreal, and also to the postmaster, inquiring as to why it was not delivered. In the end I telephoned the man to whom this letter was addressed and said: "Don't take any more chances in this thing. We have found the letter." He hired a taxi and drove out to the post office and got the letter and came back with it; otherwise it would not have been delivered yet. I know the Postmaster General is not responsible himself for this situation. I do not expect him to deliver the mail. I know he will understand that this is not uttered in any way against himself; but when you pay money for a special delivery letter, I think you assume, and the public assumes, that you are going to get efficient and speedy service. As a matter of fact, you get a poor quality service. I do think the Postmaster General or the department should warn the people particularly not to pay for special delivery letters, and if they do they are just taking a chance. They will deliver the letter only in certain hours, and it is much more difficult to get it than it would be if it was sent by ordinary post. I would suggest that special delivery be refused by the Post Office Department in any case where there are no couriers who will make special delivery of them. If there is to be no special delivery why call it "special delivery"? You pay 20 cents for a special delivery stamp and I presume the department takes in quite a lot of money out of that. There must be hundreds of thousands of them throughout the country. The public expect a little bit better service than we got in this case. Why a letter should lie around in the post office from Saturday morning until the following Wednesday I cannot understand. I can understand that with the five-day week no one works on Saturday and you would not expect anyone to work on Sunday. Even so, there was still Monday, Tuesday and Wednesday. The letter was growing moss by the time it was discovered. Had it not been for Mr. Dempsey we would not have found it yet; the passport would have been of no use on this occasion.

I draw it to the attention of the minister. I think it is indicative of a situation which occurs very often, and something which should be investigated by the department.

**Mr. Cote:** This is a case where I think I should first remind my hon. friend that we deliver twice, and if the person to whom the letter is addressed is not there, then we leave a notice. This is exactly what happened in this case.

**Mr. Nowlan:** If it happened in this case why put "one call" on the letter?

**Mr. Cote:** I will come to that.

**Mr. Nowlan:** And nothing left.

**Mr. Cote:** There might be some contradiction, but here is the information I have:

Re: Registered special delivery letter
No. 647, addressed to Dr. Konstanty
Rayski-Kietlicz, 4069 Northcliffe,
Notre Dame de Grace, Montreal.
Was received in Montreal on the 28th May at 3.52 a.m. via flight 240 from Ottawa.
It was given to the special delivery contractor at 8.10 a.m. on the same morning. He called at the above address but received no answer.

That was the first delivery. I continue:

Therefore, he brought it back to the general post office registration branch at 1.30 p.m.
On the 29th May, 5.20 a.m. the letter was sent out to Notre Dame de Grace postal station for delivery by letter carrier. It was taken out by the letter carrier, but still there was no answer to the call—

That was the second delivery. I continue:

—so he left a card indicating that it was to be called for at Notre Dame de Grace postal station.
The letter in question was placed in the general delivery, Notre Dame de Grace postal station on the 31st May, where it remained until called for on June 2.

There might be a difference in the appreciation of the facts, I do not know; but these are the facts I have. My hon. friend might have been informed that the letter was delivered only once. We have information based on facts. That does not mean that this or any other system is perfect. Incidentally, my hon. friend called my attention to the fact that the postmaster there refused to allow the letter to be delivered. I do not know about that but I will have inquiries made. However, in the main the rules and regulations have been applied in this case as in other cases. We made two deliveries and on both occasions there was no one there and, as the regulations require, we left a note. We know these facts to be accurate and I believe they are as have been reported to us. I believe that in the circumstances we did what the postal regulations require us to do.

**Mr. Nowlan:** I can only say, Mr. Chairman, that if the minister did not make a mistake in the information he gave me then there must be something wrong, in view of the fact that he states it left the office for delivery at 5.20 a.m.—

**Mr. Cote:** No, that is not exact. On the 29th of May it was sent from the office at 5.20 for delivery to the postal station and it would then be taken by the letter carrier. But when he called there was no one there and he left a card. It was sent to the postal station and then given to the letter carrier to deliver and he attempted to deliver it but without success.

**Mr. Nowlan:** Well, the envelope I have here has only one call marked on it. I would imagine that a proper carrier who had instructions to deliver this letter according to the regulations would make more than one call, but this has only one call marked with some initials after it. As I said, I am not going to debate the facts. The minister has given some of the facts according to his report—

**Mr. Cote:** We have a full report here.

**Mr. Nowlan:** Well, I have the facts from people who are thoroughly reliable and they say there was always someone in the house and that no card was ever left there. They even took up the carpet and moved the bookcase to see whether the card may somehow have slipped under them but they were unable to find any card. I think this is a situation which indicates that the system might be reviewed, because after a survey of the facts in this case it seems rather strange that the letter should have lain there without being delivered. It might even lie there for a year. Would you allow that to happen, or what would you do in a case like this?

**Mr. Cote:** After two deliveries without success we leave a card requesting the people to call for the letter. That is exactly what was done in this case. We have the names of all the employees who tried to deliver the letter. I do not say the system we have is perfect but we are trying to improve not only this part but other parts of the service. As far as the regulations are concerned I believe, and I think the hon. member will agree, that we have followed the regulations and attempted a delivery on two occasions without success. We then left the card. As it may be of some interest to my hon. friend, I might inform him that according to regulations special deliveries are made from 7 a.m. to 8 p.m. every day including Sunday.

**Mr. Noseworthy:** Mr. Chairman, on this item I wonder if the minister would make a brief statement for the information of the public on a matter about which there is some confusion, namely just when and where letters can be carried by air with an ordinary five-cent stamp, and when anyone wanting special air delivery has to affix a special stamp.

**Mr. Cote:** All first-class mail is taken by air up to eight ounces when it will speed the delivery of such mail.

**Mr. Knowles:** Is it not the case that this applies only to mail delivered in Canada?

**Mr. Cote:** Yes.

**Mr. Knowles:** It does not apply to letters sent to the United States, for example?

**Mr. Cote:** No, for domestic delivery only.

**Mr. Knowles:** If anyone wished to send a letter to the United States by air mail he would have to affix a seven-cent stamp.

**Mr. Cote:** That is correct.

Item agreed to.

*344.* Financial services, including audit of revenue, money order and savings bank business; and postage stamps, $2,586,950.

**Mr. Noseworthy:** Mr. Chairman, I notice in the details of this item at page 419 there is an item for the renting of accounting machines amounting to $42,000 and another for the printing of money order forms amounting to $147,000. Are those accounting machines rented from private firms or from any other government department, and is the printing done by the government printing office in regard to these money order forms?

**Mr. Cote:** The $42,000 item provides for the rental of machines necessary for accounting. They are rented.

**Mr. Noseworthy:** From a private firm?

**Mr. Cote:** Exactly.

**Mr. Noseworthy:** The post office does not own any of them?

**Mr. Cote:** No.

**Mr. Noseworthy:** In regard to the printing of money order forms for which there is an item of $147,000, is that printing done outside the government printing bureau?

**Mr. Cote:** Yes, by contracts.

**Mrs. Fairclough:** I suppose these machines are tabulating machines? The punch card type of machine?

**Mr. Cote:** Yes.

**Mr. Nowlan:** Before this item is carried, Mr. Chairman, I would like to draw the attention of the minister to one matter which I believe has already been brought to his attention on various occasions. This item covers postage stamps and I know the minister has adopted the principle that stamps cannot be issued in commemoration of the founding of any particular city or town. I do not think anyone can quarrel with him on that because, if the department issued special stamps commemorating the establishment of one city, naturally the people in another city would feel they would have to receive the same consideration, and special-issue postage stamps would have to be issued for every town and city in the Dominion of Canada. And we know that could not be done.

But the minister has already been approached by one historical organization requesting that next year a special stamp be issued in commemoration of the founding of the first settlement of white persons north of the gulf of Mexico. It is to this that I wish to draw the minister's attention. I believe when the minister received the application he assumed that it was a stamp to commemorate the founding of the town of Port Royal. Incidentally, the town of Port Royal grew out of that settlement. Champlain established the first permanent white settlement north of the gulf of Mexico at Port Royal, and the 350th anniversary of that occasion will be celebrated next year.

I think it is an historical event of profound significance and one in the celebration of which I think the national film board and other federal organizations have been requested to co-operate. I believe they will.

I am going to take the liberty of urging this historical society to resubmit its application to the minister and I hope he will reconsider it and give the matter favourable consideration, not because it is a town or community but because this was one of the great historical events which went to the making of this nation. If that event had happened in the country to the south of us, I am sure that they would have several issues of stamps, several flags, several anthems; they would have many things done. Our government has rebuilt Port Royal in order to show the historical significance of it. As the parliamentary assistant well knows, the government spent $100,000, $200,000 or more—I do not know exactly how much—in order to rebuild, in its original shape, the habitation of Champlain, the old wooden log building which I am sure many hon. members have seen, with its wooden pegs and hand-drawn nails. It was rebuilt because it was realized that this was an historical shrine. Because of the 350th anniversary of the founding of this settlement, I am making this suggestion. I am not going to take up any more time of the committee now, but I urge the minister to reconsider this matter. It has the support of the historical societies throughout the whole dominion. It has the support of the government of Nova Scotia. I think it has a broad appeal to each and every one of us in this country.

**Mr. MacLean:** In connection with what the hon. member for Digby-Annapolis-Kings has just been saying, I should like to point out that, if I recall rightly—and I am just speaking from memory—I believe I have seen a special stamp which was issued in 1908 to commemorate the 300th anniversary of Champlain's founding of the city of Quebec. I think perhaps there is a precedent there.

**Mr. Knowles:** In line with what has just been suggested by the hon. member for

Digby-Annapolis-Kings and the hon. member for Queens, I should like to express once again the hope that consideration might be given to the recognition of the 100th anniversary of the opening of the first post office in western Canada. I agree with the hon. member for Digby-Annapolis-Kings that there is no point in having too many of these stamps. Their value would be cheapened if that course were followed. However, I suggest that we do not have too many events of this kind yet, particularly in western Canada, that can be celebrated.

Surely the 100th anniversary of the opening of the first post office in western Canada is an event that should be recognized. I believe that anniversary will occur at the end of February next year. If the Postmaster General still finds it impossible to recognize the event by the issuing of a commemorative stamp, perhaps I should invite him to come out with me next February when the event is recognized. As he knows, that first post office in western Canada is located in the constituency of Winnipeg North Centre and is an old building which has been put into shape and is being cared for by the historical society of Manitoba.

**Mr. White (Middlesex East):** The matter I wish to deal with is something which I have had brought to my attention by several people. It is the fact that some of our postage stamps, even of the new issue, are pale and anaemic. Also, for those people who probably have not 100 per cent eyesight, the figures designating the value could be improved on. I just bring these matters to the minister's attention so that when any changes are being considered—

**Mr. Nowlan:** Make them so people can see the figures.

**Mr. White (Middlesex East):** Yes; they might be made so that people can see the figures.

**Mr. Small:** There is a question I should like to ask the minister. A couple of months ago an announcement was made that a new machine for sorting the mail had been developed by the engineers in the department and that it would possibly be installed in Toronto, Hamilton or some of the larger cities. It was to be a rather expensive machine. At the time the increased postal rates debate was going on we were searching to find economies in the department. This would have been a good proposition to have been introduced then. The expense is so great that it is out of the question at the present time. However, I understand it is going to be of such benefit that it would take care of all the Post Office Department requirements in connection with sorting letters. Can the minister give us any information on that development or as to the possibility of its introduction in the future?

**The Chairman:** Shall the item carry?

**Mr. Small:** No. Can the minister give us any information as to this new machine or its introduction?

**Mr. Cote:** Mr. Chairman, I do not want to elaborate on this matter at this time because I did so previously. It will take a few years before we are in a position to operate the machine. We are working on it now. The national research council has helped in telling us that it would work. Our experts and technical engineers have made progress. I hope it will be possible to make use of it sooner rather than later, but it will take a few years before we are actually able to operate the machine. Once it is in operation it will represent a fantastic advance in the sortation of mail; it will be unique in the world.

**Mr. Small:** I thank the minister for his statement. I think that is information the committee should have.

**Mr. Churchill:** I just want to refer to the matter of commemorative stamps which was raised by the hon. member for Digby-Annapolis-Kings and supported by the hon. member for Queens and the hon. member for Winnipeg North Centre. I think it would be helpful if the minister would make a statement on this subject which is of intense interest to everybody in the country, and would let us know what is the general policy of his department with regard to it. It would also be helpful if he could give us a list of the commemorative stamps that have been published recently.

As has been pointed out, if too many of these stamps are put out, the whole idea is cheapened. That is why I suggest that perhaps there must be some well-outlined policy that the department has adopted. If not, it is for us to discuss now what it should be. The commemorative stamp serves a useful purpose. I grant that the minister might be inundated with requests for them unless it was made clear what should be done with regard to that type of issue. If the minister would give us an explanation now, perhaps the matter would be cleared up.

**Mr. Cote:** I do not want to elaborate again at length on that subject but I may say this. The basic principle with regard to the issuing of these stamps is, first, that the subject must be of national interest. The suggestions which have already been made today, just within five minutes, show that, if it were

possible, not only every member of the committee but every person in the country would like to have a commemorative stamp of his own. Therefore each case must be studied on its merits. The event must be one of national interest. On the other hand, I may say that Canada has an extremely high reputation. We do not issue stamps every day of the week, every week of the month and every month of the year. We have regard to the timing and we try to issue the stamp when we deem it necessary. Because of that fact, our issues of stamps are well received in all parts of the world. I do not want to make comparisons with any other country but I may say this. Those countries which have made a business of frequently issuing stamps find that the stamps have no value, philatelically speaking. To come back to the basic principle, I say again that the subject must be of national interest. Otherwise there is no line of demarcation. If that were not the principle followed, we would be swamped—as we are—with all sorts of suggestions. They are good suggestions in themselves. But if we were issuing a commemorative stamp for my home town anniversary or for the home town of anybody else, in which there might be some minor feature of national interest but more local interest, there would be no limit or no end to the requests. In those circumstances, we would not be able to respond to all the demands we have and would have.

**Mr. Churchill:** Mr. Chairman, I am not advocating the issue of large numbers of commemorative stamps. What I am really interested in is a declaration of policy. The minister has pointed out that national interest is the most important factor. Would he tell us then who makes the decision and would he strengthen his position by giving us a list of commemorative stamps that have recently been published? It would then be open to us to determine whether national interest has been the overriding factor.

**The Deputy Chairman:** Shall the item carry?

**Mr. Churchill:** Mr. Chairman, I am waiting for a reply.

**Mr. Cote:** I might refer my hon. friend to the Postmaster General's report for 1953, page 12. I will not impose the reading of all this on my hon. friend, but I might read the second paragraph. It reads as follows:

> On July 26, 1952, a 4 cent postage stamp was issued to commemorate the 18th international Red Cross conference which was held in Toronto. Additional commemorative postage stamps were issued on November 3, 3 cent and 4 cent denominations, displaying portraits of the two former prime ministers, Hon. Sir John J. C. Abbott and Hon. Alexander Mackenzie. These two postage stamp issues were a part of a series that will eventually display portraits of all of those former prime ministers who have not previously had their portraits reproduced on postage stamps. On the same date there was issued a 7 cent postage stamp depicting a Canada goose in flight. This stamp was issued to replace the 7 cent commemorative postage stamp that was first issued on September 24, 1951.

I am informed that we do that each year, and I will be glad to give my hon. friend more information if he wishes to have it. We will send him a complete list if he wants to have it.

**Mr. Knowles:** Like the hon. member for Winnipeg South Centre, I am glad to have had a statement of policy by the minister in connection with this matter, but I must confess that I still think the opening of the first post office in western Canada 100 years ago is an event of national interest. I think it is of just as much national interest as what is on this 4 cent stamp that I hold in my hand. I see the minister straining his eyes to see what it is. It is a walrus. At least, I think it is. I am not too familiar with the animal. But I ask the question, of what greater national interest is a walrus than an event in the history of Canada such as that to which I have referred?

Having mentioned this first post office in western Canada, and having done so on a number of occasions, I hope I may be permitted to take a moment to tell you, Mr. Chairman, since as a British Columbia member you frequently have occasion to go through Winnipeg, and also to tell all members of the house where this post office is located. When you travel through Winnipeg by Canadian Pacific Railway, if you will just step out the front door of the station during the hour stopover that usually takes place there and look across the street you will see this log structure to which I have had occasion to make reference quite a number of times. It is that log structure which was the house of the late Mr. Ross in which the first post office in western Canada was opened in February, 1855.

**Mr. Cote:** In order to add to the information given by my hon. friend, the stamp he showed was one of an issue of 4 cent and 5 cent wildlife design stamps issued in April, 1953. The series of wildlife stamps was introduced for annual issue to support Canada's national wildlife week and the preservation of wild life. The grey coloured 4 cent stamp depicts a walrus and the blue coloured 5 cent stamp depicts a beaver. These two stamps will be short-term commemorative issues. The stamps were designed by Emanuel Hahn of Toronto.

**Mr. Churchill:** What is the quantity of commemorative stamps issued? Is there some policy with regard to that? How great or how small is the issue?

**Mr. Cote:** I will give the postage stamp impressions purchased. In 1951-52 there were 1,863,845,000 stamps and in 1952-53 there were 1,870,075,000 stamps.

**Mr. Churchill:** How many were commemorative?

**Mr. Cote:** I have not got that breakdown, but those are the total impressions purchased in 1951-52 and 1952-53.

**Mr. MacLean:** What the hon. member for Winnipeg North Centre has just said reminded me that perhaps the time has come, as the walrus said, to speak of many things. Therefore I should like to ask the minister if he can indicate to the committee what series of stamps, if any, have been approved for issue in the near future that have not yet appeared. Perhaps he might give that for the year ahead. I am thinking particularly of any commemorative stamps that may have been approved but have not yet been issued in connection with such events as the British Empire games.

**Mr. Cote:** It is not news to the committee that we have issued a new set of stamps depicting the Queen to replace the not so successful stamp on the coronation. We must admit that the new one is far better. I am sorry that I cannot answer the second part of the question as to commemorative stamps for the coming year.

**Mr. MacLean:** I was not referring to the present general issue with the new likeness of the Queen. I was thinking of any special stamps which have already been approved but have not yet appeared.

**Mr. Cote:** There are none so far.

**Mr. White (Middlesex East):** If I may be permitted to revert to item 343 for a moment, I should like to ask the minister what percentage of first class mail is actually transported by air?

**Mr. Cote:** What percentage?

**Mr. White (Middlesex East):** Yes, what percentage of first class mail is actually airborne?

**Mr. Cote:** The closest I can come to it now is between 30 and 40 per cent.

Item agreed to.

*699.* Operations—further amount required, $1,265,904.

**Mr. Knowles:** This supplementary item is a companion item to one we had in the main estimates a few moments ago. In other words, it has to do with the same question of operations. I should like to say a few words concerning a matter which comes under the operations branch. I have in my hand sessional paper No. 94-M, which was tabled in the house on Tuesday, June 22, 1954. It contains some 89 pages. Most of it, indeed almost all of it, is correspondence between the operations branch of the post office and certain people in Winnipeg. The subject matter of this return is the matter of appointments to small post offices situated in the constituency of Winnipeg North Centre. As hon. members will readily gather, this 89-page document is a companion volume to the one my colleague, the hon. member for Winnipeg North, displayed in the house a few weeks ago. When I indicate that it is a companion volume I mean to indicate that there is a good deal of similarity between the other document and this document, and it is not my intention, Mr. Chairman, to make a speech that would be merely a duplication of the excellent speech made on this question of patronage in the Post Office Department by my colleague the hon. member for Winnipeg North.

This document does bring out one or two points in addition to the points that were brought out in the sessional paper which was displayed by my colleague, the hon. member for Winnipeg North. I may say at the outset, Mr. Chairman, that practically the same names appear in this file as appeared in my colleague's file. There are names such as those of Alderman Peter Taraska, Mr. D. W. W. Revie, the secretary to the Minister of Justice and one or two others. In other words, the same people seem to be involved in this correspondence with the operations branch regarding post office appointments in the various constituencies in the Winnipeg area. There is also correspondence with the same secretary of the Manitoba and northwestern Ontario command of the Canadian Legion, and one additional person who turns up in this file who did not turn up in the other file. This additional person is Mr. W. A. Molloy.

Perhaps I should identify some of these people. Mr. D. W. W. Revie, to whom I have already referred, is an official of the Manitoba Liberal-Progressive Association. Mr. Peter Taraska was the Liberal candidate in Winnipeg North in 1945 and 1949, on both of which occasions he was defeated by my colleague the hon. member for Winnipeg North. In 1953 he came over to Winnipeg North Centre and gave me the benefit of his candidacy as the Liberal candidate and once again enjoyed defeat. Mr. W. A. Molloy was

the Liberal candidate in Winnipeg North Centre in 1949. As I pointed out there is also a good deal of correspondence in this file, as in the other one, between the operations branch and the secretary of the Minister of Justice. There seem to be no letters addressed directly to the Minister of Justice and no letters written by the Minister of Justice. Rather the letters are to the minister's secretary and she is asked to forward the minister's recommendation. She replies stating that her minister recommends such and such and then another letter goes back to the secretary of the Minister of Justice advising that her minister's recommendation has been accepted.

As I say, Mr. Chairman, it would be an imposition on my part were I to regale the house with the same kind of outline as was given by my colleague, the hon. member for Winnipeg North. But I do feel I should draw attention to one or two aspects of this file which are a little different. I have referred to the fact there are letters here addressed to the same Alderman Peter Taraska, who had a good deal to do with appointments in Winnipeg North and he has had something to do with appointments in Winnipeg North Centre as well. This seems to have begun about the time he moved over and became a candidate in Winnipeg North Centre.

The case of Mr. Molloy is extremely interesting. I find that there has been correspondence, according to this file, with him with respect to five different small post office appointments in the constituency of Winnipeg North Centre. In only one of those five cases, so far as I can ascertain from going through this file, did Mr. Molloy make a recommendation; that was back in 1949. I do not know why, but apparently Mr. Molloy does not seem to be too interested in this matter of post office patronage. I say that to his credit, and I repeat that he was my Liberal opponent in 1949. Indeed, I ask hon. members to note this with regard to the other four cases. They are found on pages 18 to 23; 26 to 31; 49 to 55; and 80 to 85 of this sessional paper that I hold in my hand. Those page numbers are inclusive in all cases. Strangely enough in each of those cases hon. members will notice that I have referred to six pages in the file—six letters—and the pattern is the same in all four instances.

First of all, there is a letter—let me take the first one I gave as an example, pages 18 to 23 of this file. As hon. members know, these files are built up from the bottom, sc we start on page 23. Starting with that page, we note that on May 29, 1950, a letter went to Mr. Molloy from the director of operations, advising him of a certain vacancy and asking him for his recommendation. There was no answer immediately, so on June 19, 1950 a second letter went to Mr. Molloy with respect to the same vacancy. Mr. Molloy answered that letter on June 23, 1950. His letter, addressed to the director of operations reads as follows:

> I acknowledge your request for recommendation of a suitable person for permanent appointment as postmaster at the above-mentioned post office.
>
> I thank you for referring this matter to me, and I wish to advise that I am not in a position to make any recommendations.

That is the third letter on the file. First, there are two letters to Mr. Molloy advising him of the vacancy and asking him for his recommendation. Then, Mr. Molloy writes back and says he is not in a position to make any recommendation. Following that, there are three more letters addressed to Mr. Molloy still telling him about this vacancy and eventually telling him what has happened in the matter.

**Mr. Nicholson:** Three more?

**Mr. Knowles:** Three more letters after Mr. Molloy had indicated in a rather tactful manner his disinterest in this question. I am not going to read all of these letters. I have indicated by giving the page numbers that there are four instances exactly the same, where two letters are written to Mr. Molloy telling him of a vacancy and inviting him to make recommendations. He writes back and says, I have none to make, but the department goes on writing him three more times after that.

**Mr. Martin:** Mr. Molloy must be a good man.

**Mr. Knowles:** Yes, Mr. Molloy is a very fine man. As I pointed out a while ago, he was the Liberal candidate in 1949 and joined a long succession of Liberal candidates who have stood in Winnipeg North Centre, but that is as far as they got.

**Mr. Martin:** They still have hopes.

**Mr. Knowles:** Mr. Molloy has since transferred his political interest to other parts of the city of Winnipeg. The point of this is obvious. Even when you have a political person out in the field who is obviously disinterested in post office patronage, the operations branch keeps fostering it. I submit that is very clear evidence that this business of patronage in the post office is fostered and pursued by the Post Office Department here at Ottawa. I think it is fair to say that Liberal members themselves, and even defeated candidates, would be quite glad if this whole business of patronage in the Post Office Department were discontinued. And in view of this evidence that

it is being foisted upon them by the operations branch, I feel very strongly that serious consideration should be given by the department to discontinuing this patronage in the matter of making these post office appointments.

Perhaps I should go a little further with regard to this one case. I can give it as a sample, because the pattern is practically the same throughout the whole file. With respect to this Winnipeg sub-post office No. 15, situated in the heart of my constituency, not only was Mr. Molloy written to, but the provincial secretary of the Canadian Legion was advised. Oddly enough, or perhaps significantly, the letter to the provincial secretary of the Canadian Legion is a form letter, a mimeographed letter, with the secretary's name put in. In the case of the letters to Mr. Molloy, four out of five of them were original letters. The provincial secretary of the Canadian Legion was written to, but there is no reply on the file.

Then, D. W. W. Revie, 803 Charles building—I am sure that should read Childs building—was also written to about it. He made no reply so far as the file is concerned. But this is not so in the case of the correspondence addressed to the secretary of the Minister of Justice. First there is a letter to her asking for her minister's recommendation. There is a reply from her indicating whom the minister recommends. And then there is a reply back to her stating that the appointment has been made in keeping with the recommendation of that secretary's minister. I do not think it is very fair to a secretary to a minister to put her in the position of having to carry on this correspondence in her name. If the Minister of Justice is going to be the dispenser of patronage in respect of these matters in Manitoba—and I would point out that his constituency is that of Marquette, which is up on the Saskatchewan boundary, and this matter has to do with a constituency in the city of Winnipeg—if he is going to do it, then I suggest he should do it over his own signature.

As I say, the hon. member for Winnipeg North has made very clear what is going on with respect to the matter, and I do not need to go further with it. But so far as this aspect of the matter is concerned I do wish to point out what struck me when I got this file, namely that even when a man like Mr. Molloy is not very interested in the patronage aspect of the matter, it is continued by these letters from the operations branch, which he does not bother to answer.



Of course that is not so in connection with Mr. Taraska. There is no letter to him that is not answered. He seems to be active in these matters.

Then, there is one other point. I am now looking at page 22 in the file which happens to be a letter addressed to Mr. Molloy; but there are quite a few letters in the file which are like this one. It reads in part as follows:

> The order of preference which, according to law, is observed in making such appointment is as follows:—
> (a) patron of the office entitled to disability preference;
> (b) patron of the office entitled to overseas preference;
> (c) patrons not entitled to preference under either (a) or (b);
> (d) non-patron entitled to disability preference;
> (e) non-patron entitled to overseas preference;
> (f) non-patron not entitled to preference under either (d) or (e).

Now, as I say, these people who are asked for their recommendations are informed that according to law this is the order of preference. The question I would like to put is this—

**Mr. Cote:** It is strictly followed.

**Mr. Knowles:** What happens if a person like Mr. Taraska or Mr. Molloy or Mr. Revie or the secretary to the Minister of Justice, or anybody else, recommends anyone who does not come under these categories? What happens in that event?

**Mr. Cote:** I am glad my hon. friend has asked that question, because we should not dramatize it too much. This was done after a committee of the house decided to do so, following recommendations and information. And it is done to avoid the great expense that would be involved if we had to send an inspector perhaps 100 or 200 miles. It would cost more than the annual revenue of these little post offices.

And that is exactly why in 1932 a committee decided to follow this procedure—that is, to ask for information and recommendations from the member or the defeated candidate, because the committee felt they were the persons in the best position to give this information.

And now, to come to the question asked by the hon. member. Let me say that the order of preference is strictly followed. And when A, B or C recommends somebody who does not fall within the order of preference the recommendation is not followed. We receive this information or these recommendations in respect of the appointments to be made, but those recommendations are

not appointments by any means. And it is going a little too far when an attempt is made to dramatize this matter.

I am glad my hon. friend adopted the tone he did this morning, because there was considerable difference between the tone he used and that used by his colleague from Winnipeg North. The hon. member for Winnipeg North Centre has brought forward some factual reports.

**Mr. Knowles:** So did the member for Winnipeg North.

**Mr. Cote:** Yes; but within the meaning of that word, they are not patronage. This is just a useful proceeding to get information. Appointments are made in the order of preference mentioned by my hon. friend, and not because the information is given by A, B or C.

**Mr. Knowles:** What happens if one of these unofficial people makes a recommendation of a person who does not fit into the order of preference?

**Mr. Cote:** He is not appointed.

**Mr. Knowles:** Such a person does not get the appointment?

**Mr. Cote:** No. If a man who is recommended or suggested does not fit within the order of preference, then he is not appointed.

**Mr. Knowles:** I am very glad to hear that. Now, just a word or two further. The Postmaster General seems to be satisfied that it is perfectly all right to follow this system of getting these items of information from these unofficial people. It has never been my view that in any business concern it is a matter of economy to have people do things for nothing. In the end they can turn out to be very costly.

I would point out that Mr. Taraska, Mr. Molloy and Mr. Revie, who figure in this correspondence, have no official standing so far as the Post Office Department is concerned, or so far as the government of Canada is concerned.

**Mr. Cote:** And they make no appointments, either.

**Mr. Knowles:** No, but their advice is sought, and their recommendations are sought.

**Mr. Cote:** They are asked for information because they are in a position to give information. But giving information does not mean that they make appointments.

**Mr. Knowles:** I have not read all the 89 pages of this file, because I received it only a day or two ago, and there have been other things to do. But, so far as I have been able to go through it I do not find any appointments that were made, except those recommended by these people. And the person who has the highest batting average is the secretary to the Minister of Justice, speaking on behalf of the minister. Mr. Taraska has a very good batting average, too.

My point is that it is these people, who are not now employed in the Post Office Department at all, who seem to be the people who are playing an important part. And perhaps one of the reasons I have been speaking calmly is that to my mind the case I am presenting is so clear that there is no need to shout. You shout when your point is weak.

**Mr. Cote:** I am satisfied with your tone.

**Mr. Knowles:** But this point is strong. Let me make it clear—

**An hon. Member:** Crystal.

**Mr. Knowles:** Somebody used the word "crystal".

**Mr. Cote:** Crystal clear.

**Mr. Knowles:** Let me make it crystal clear that I do not think we people here should be involved in this kind of business at all. I do not want the minister to ask me for my recommendations with regard to these appointments. I want him to do this work in and through his department. But I do want him to clarify what he said a moment ago when he referred to the practice of writing to defeated candidates and members of parliament. He means defeated Liberal candidates and Liberal members of parliament.

**Mr. Cote:** Why not?

**Mr. Knowles:** I take it from that question that the Postmaster General thinks that the patronage system is all right. I may tell him it went out a long time ago in any democracy worthy of the name.

**Mr. Weir:** My hon. friend has been attempting to make something significant out of a couple of returns that have been brought down in connection with post office matters in the two constituencies in Winnipeg, and from his observations one would think that the people whose names have been referred to have done something wrong, when they have intervened in a matter which is not their business. Well, I think it is regrettable that he took occasion to dig these people's names out in the manner in which he has. They are all good, responsible, reputable citizens. If they happen to be Liberals, they are that much better.

I come back to the practice that has been in effect in this country for a long period of time in so far as post office appointments are concerned. I do not think there is very much wrong with it. If, as he apparently would suggest, we should turn the selection of postmasters in the smaller postal stations over to the civil service commission or to some other branch, I am sure it would add greatly to the expense and it would not bring about greater efficiency or greater satisfaction to the public.

I am sure that in these cases—I will not say so much for the city constituencies, but I will so far as the country post offices are concerned—apart from elected members or people who have been candidates no one is in a position to give the same type of satisfactory recommendations that these people can. It is often not easy to get people to take certain post offices in certain outlying areas. The point I make is that any elected person, if you like, or any defeated candidate, is going to attempt to secure the person who will do the job efficiently and well and who is acceptable to the community.

My hon. friend the Postmaster General referred to the conditions of appointment and I am sure that no one is going to step very far afield in making recommendations to the Postmaster General for the selection of postmasters that do not conform to those conditions. I am sure that if anyone were to recommend a civilian ahead of a pensioner who was equally qualified and equally entitled, he would hear from the community in no uncertain manner. Therefore one is governed by his conscience in matters of this kind. I cannot for the life of me see how you are going to devise a system that works any better than this, unless you are going to bring the whole thing under the civil service commission, which I am sure would add greatly to its cost.

Let me say this to my hon. friend. As he knows, I have been here some little time, and I presume he will ask for files on the constituency of Portage-Neepawa, and I hope he does.

**Mr. Knowles:** You are putting ideas in my head.

**Mr. Weir:** I will tell him this. In all the experience I have had, I have had more trouble and more irritation over appointments made by the civil service commission than anything that I ever had to do with. So it works both ways. I do not think I would have done any better had I tried to inject myself into the larger post offices in the appointments made by the civil service commission; but I do know that my own experience is that there has been more fuss made over appointments made by the civil service commission than over any other types of appointments that have been made. Let me give you one illustration which I find very curious. Take a civil service appointment, where one man in a competition is rated for the appointment by the commission and he gets the position. Within months, not years, another office comes open, and this man, as he is entitled to do, applies in the second competition. In the one competition he is placed at the top of the list and gets the appointment. In the other competition, with the same competitors, he is placed fourth or fifth on the list and somebody else gets the appointment. How are you going to explain that? It happened to be out of my category. I was not interested in it, and I was glad to be out of it, but these things can work both ways, even in so far as appointments by the civil service commission are concerned.

I am going to say nothing more about this except this. If these are the greatest mistakes that have been made by the Postmaster General, or if these are the biggest complaints that my hon. friends can dig up about the administration of the Post Office Department even in the province of Manitoba, I am afraid that we shall have to say that our Postmaster General and those associated with him are pretty pure in the administration of that department.

**Mr. Knight:** I have one word on this, and it is in regard to the opinions of the member of parliament vis-à-vis the opinions of defeated candidates. That is the one thing that I cannot get straight. I am interested to hear the hon. Postmaster General and the hon. member for Portage-Neepawa defend the patronage system. If that is their opinion they are entitled to it, and they are on record in regard to it. I have no quarrel with that expression of opinion, but I do not believe in that system. I do not believe it is worth anything to anybody.

**Mr. Weir:** May I just submit one question to my hon. friend? This system is in vogue at the present time. Do I take it that my hon. friend would rather have the officials of the Post Office Department go out and take recommendations from the drugstore operator, the storekeeper, the bank manager or somebody else instead of from a duly elected person or one who has offered himself for public service?

**Mr. Knight:** My answer to that question is largely yes. If the administrators of the Post Office Department are efficient, and if the appointments are made on the basis of efficiency and convenience, I suggest then

they should do it and that members of parliament or defeated candidates should have nothing to do with it. But I do want to say just one thing. The hon. member for Portage-Neepawa has said that somebody may be appointed who is suitable to the community, and from that angle I was interested in it. He wants someone suitable to the community, and he goes out to get the advice of somebody who has proven himself to be unsuitable to the community as far as being elected as a member of parliament is concerned. They go to that man to find out who is suitable to the community. I imagine a great many people in Saskatoon—I will flatter myself and say there are not too many; there are some—think I am not suitable for that constituency.

**An hon. Member:** Agreed.

**Mr. Knight:** The hon. member sitting on the other side of the house can make that statement and I love him for it. He is just like a lot of the people in my constituency who happen to belong to the unfortunate political designation of my hon. friend. The point I want to make is that it is a ridiculous thing to me as a member of parliament for Saskatoon. I do not want to be bothered with anything like that. I want you people over there to put into these jobs people who are supposed to be qualified to carry on their work efficiently; make your appointments and you will never hear a growl from me in that department; but I do say this in respect to consulting the defeated candidate to find a man suitable to the community. In doing that you are consulting a man who will recommend a man who in the opinion of the defeated candidate would be suitable to that community, but he himself who is advising the department on this man is a man who has proven to be unacceptable and unsuitable to his community.

**An hon. Member:** Rejected.

**Mr. Knight:** Rejected by his community, and this is the man to whom my hon. friend goes for advice. They consult the defeated candidates. The question asked by the hon. member for Winnipeg North Centre was fair and it was not answered.

**Mr. Cote:** What question?

**Mr. Knight:** The question is, in the case of a defeated candidate belonging to another party but the Liberal party, does the Postmaster General write to him?

**Mr. Cote:** We receive recommendations and information from members of every party and we even receive recommendations from many of my hon. friends opposite.

[Mr. Knight.]

**Mr. Knight:** The minister can wriggle and he is in a good place in which to learn how to do that, but I am asking the minister this question. And let me put it in this specific manner. If we had an election tomorrow and if I were defeated for the constituency of Saskatoon, during the following three or four years would I be receiving letters from the Postmaster General asking for recommendations, or, as he puts it, for information?

**Mr. Cote:** I can answer that question in two ways.

**Mr. Knight:** There are two ways—yes and no.

**Mr. Cote:** The hon. member has asked a question and he should at least permit me to answer. He told me a few moments ago he did not want to be bothered so I do not think we should bother him. Secondly, he has asked me what I would do tomorrow. Well, I will tell him tomorrow.

**Mr. Knight:** The minister has simply wriggled around the question and refused to answer it. I can only accept that as his answer. It is on the record.

**An hon. Member:** One o'clock.

**Mr. Nicholson:** Mr. Chairman, before we carry this item I want to support the case made by my colleagues. I might say that I have a great deal of confidence in the officials of his department. But the interjection made by the hon. member for Qu'Appelle prompts me to say that in the last copy of the Saskatchewan *Gazette* there was an item stating that Mr. G. M. Ferrie of Invermay had been made commissioner of oaths by the C.C.F. government. I was not consulted about that appointment and I offer no objection because I do not want to be consulted by this government or the government of Saskatchewan as to who should or should not be appointed to government positions, but I hope the Postmaster General will have another look at this patronage question.

**Mr. Cote:** Mr. Chairman, I want to be fair to everyone but the hon. member who has just spoken wrote an article in his local newspaper telling the people there that he was the one who obtained certain concessions by means of pressure on this government. I think if that is the way in which my hon. friend—

**Mr. Nicholson:** Mr. Chairman, on a question of privilege, I would ask the Postmaster General to quote from the article he mentions. I deny the charge he has made and I suggest

he put the article in question on the record. If he cannot do so I suggest he withdraw his remarks.

**Mr. Cote:** Mr. Chairman, I am ready to be corrected if correction is needed, but I am referring to the erection of a public building in my hon. friend's riding about which he wrote that he had obtained it because he forced the government to do so.

**Mr. Nicholson:** Mr. Chairman, I must ask the Postmaster General to withdraw his remarks or substantiate his statement by putting the article in question on the record.

**The Deputy Chairman:** May I remind the committee that we are not debating the erection of a public building. I have followed very closely what has been said by the Postmaster General. The minister suggested that the hon. member for Mackenzie had written certain things in a newspaper article and the hon. member for Mackenzie said, "I deny that", and the Postmaster General said, "I am willing to be corrected if correction is needed." I take it from the Postmaster General's remarks that he has accepted the denial of the hon. member for Mackenzie, as he is bound to do.

**Mr. Nicholson:** But, Mr. Chairman, I would like the Postmaster General to put on record that he withdraws the remarks he has made. He is nodding his head but I would like him to withdraw his statement.

**Mr. Cote:** Mr. Chairman, I am willing to withdraw that remark, but may I just point out to the committee that I was informed that an article was written by my hon. friend in a local newspaper in his own constituency. He did not deny he wrote the article. If what I said is incorrect, then I am willing to withdraw my remarks.

**Mr. Nicholson:** I write a weekly letter for the newspapers in my constituency and I am quite prepared to have the minister quote from anything I have written at any time to show—

**The Deputy Chairman:** Order. I think I must point out to the hon. member that the Postmaster General has accepted the hon. member's denial and withdrawn any misinterpretation he may have placed on the information he received.

Item agreed to.

At one o'clock the committee took recess.

*Supply—Labour*

The committee resumed at 2.30 p.m.

DEPARTMENT OF LABOUR

General administration—
177. Departmental administration, $683,551.

**The Chairman:** Hon. members will find the vote on page 28 of the blue book and the details commencing on page 229.

**Hon. Milton F. Gregg (Minister of Labour):** Mr. Chairman, at various times during the session I have had the feeling that I should like to give the members of the committee of the whole a good deal of information with regard to the activities listed in pages 28, 29 and 30, but at this late date I must confess that I shall curtail my remarks. If I leave out some of these activities, I hope hon. members will not think that I do not consider them to be important, because I do. However, the things that I shall refer to are perhaps those which, in my opinion, require a little bit of explanation.

The estimates represent an increase over last year of $4,044,957 due, in large measure, to the general salary revision for civil servants announced last December and the normal increase in the contribution to the unemployment insurance fund. That $4 million approximately is an increase for both agencies, the department proper and the unemployment insurance commission. Staff strength remains virtually the same as last year, with no change with regard to the unemployment insurance commission and an increase of one in the Department of Labour. The members of both these staffs have continued to render excellent service during the year. The consistently high quality of their work is, I think, a credit to the public administration in Canada.

The industrial relations branch is provided for in votes 180, 181 and 182. The last fiscal year was a period of good industrial relations in the industries within federal jurisdiction. Out of 184,000 workers involved in 78 disputes dealt with during the fiscal year by our conciliation officers and boards, less than 1,600 workers were involved in a total of two strikes. Of the 78 disputes, 59 were settled, and 16 were still being dealt with at the end of the year, by conciliation officers and boards. In one case, conciliation proceedings lapsed without a settlement but also without a strike, and strike action occurred in two cases. I think this is a good record. Let me interject the pious prayer that we may have as satisfactory a record during the oncoming months. This branch is also responsible for the administration of legislation governing wages and working conditions on government contracts, for the promotion of

productivity to the benefit of both workers and employers through the medium of labour-management production committees, and for the administration of the Canada Fair Employment Practices Act.

The Canada Fair Employment Practices Act is, as the committee knows, new legislation and the experience so far gained under it has been encouraging. When the act came into effect at the beginning of last July, steps were taken to make its provisions known to the public, and particularly to the employers and trade unions whose operations fall within federal jurisdiction.

I believe that educational activity is an essential element in the administration of this legislation, and a broader program of educational publicity is planned for the present fiscal year.

No serious enforcement problems have been met in the administration of the legislation thus far. Up until the end of last May only three official complaints of alleged violations of the act had been received, and all three had been quickly settled either by correspondence or by direct investigation and conciliation.

One of the most encouraging features of the experience we have had in administering this legislation has been the willingness of employers and trade unions generally to co-operate in the work of establishing employment practices that may truly be called "fair".

Amendments to the Vocational Training Co-ordination Act have been the subject of debate at this session of the house and, for that reason, I intend to limit my remarks to the activities under votes 189 and 190. In vote 189 there is an increase over last year of $84,200. This additional sum is necessary mainly because of an expansion in our apprenticeship training program. This program, in co-operation with the provinces, is one of the most important training projects in which the department participates. As its name suggests, it is designed to stimulate apprenticeship and, in doing this, to ensure that this country will have an adequate supply of the tradesmen whose skills play such an important role in maintaining and developing the productive power of our economy.

Earlier this session I promised to say a word on my estimates about the retraining of unemployed persons. I might refer, if I may, to item 189 in the main estimates and item 669 in the supplementary estimates. Heretofore, trainees in these classes have been referred for training individually by the local offices of our national employment service. The nature and extent of the training in each case has been determined by the availability of definite jobs on completion of training and the capacity and previous experience of the trainee. Recently serious unemployment situations have developed in a number of localities. In some cases displaced workers have been absorbed in other plants or industries, but in other cases workers possessing specialized skills have found it impossible to find suitable employment in other fields. The provisions and conditions of schedule M are being reviewed with a view to facilitating the establishment of special training programs to provide such workers with new skills which will fit them for employment in other industries or occupations. In addition, a special committee of the advisory council on vocational training has been named to study this program and officials of the Department of Labour and of the unemployment insurance commission have been designated to co-operate with the provinces in dealing with specific situations.

In vote 190 of the main estimates, which provides for payments to the provinces for capital expenditures in connection with vocational schools, a decrease of $100,000 is shown. This reduction is because the obligations of the federal government under the vocational schools assistance agreement have been met in all areas of Canada except Newfoundland and the Northwest Territories. During the past ten years a total of $30 million has been made available under this agreement for sharing with the provincial governments the cost of building, equipping and operating vocational and technical schools of less than university grade.

Provision is again made, in vote 185, for the farm labour program which has been carried on ever since world war II. During the past year, farm labour agreements were concluded with all provinces except Newfoundland and, under these agreements, organized movements of farm workers were carried out to meet seasonal demands in different areas. The program is a co-operative venture and is characterized by the excellent teamwork of provincial officials and officers of the Department of Labour and the national employment service. It has served, in large measure, as a means of overcoming the shortage of farm labour which we in Canada have experienced for over a decade, and it will continue to operate during the present fiscal year. As a matter of fact, it is operating now. Farm workers are being recruited for certain crops at the present time.

It has been necessary not only to carry on a farm labour program aimed at the most

effective utilization of the farm labour force, but also to supplement that force from time to time by bringing immigrant farm workers to Canada in organized groups. These group movements have been used to meet unsatisfied demands for labour in several basic industries and there are indications that some such movements will have to be organized this year. On the whole, however, this is likely to be on a smaller scale and, consequently, the provision made for it in vote 194 represents a reduction of $115,574.

I want to make special mention of item No. 186 initiated in my estimates for the first time last year for a women's bureau. During the year the civil service commission undertook a survey and competition for the purpose of finding a suitable head for this bureau. I did not think, I can tell the committee frankly, that it would take so long to bring this task to a conclusion, but I am glad to say now that it is expected that an announcement will be made very shortly as to the person selected for this post by the commission.

During the past year the economic and research branch continued its important work of research and analysis, providing to both the government and the public accurate information on vital subjects such as manpower, factors affecting levels of employment and unemployment, trade union organization, collective bargaining trends and the incidence of work stoppages resulting from industrial disputes. Much of this research material has been printed in the *Labour Gazette,* a publication which needs no introduction to hon. members.

I should like to say something about the help being given by my department to establish a comprehensive plan for the rehabilitation of Canada's disabled. This work is being done in close co-operation with the Department of National Health and Welfare and the Department of Veterans Affairs. It has been greatly aided by suggestions made by the national advisory committee on rehabilitation. The government has offered to make to each province, on a matching basis, a maximum contribution of $15,000 a year through my department towards the salaries and expenses of a provincial rehabilitation co-ordinator and his staff, and towards the cost of supplying certain rehabilitation services not otherwise provided for.

Last year the national co-ordinator, Mr. Ian Campbell, accompanied by the senior medical officer of the Department of National Health and Welfare, discussed this offer with the appropriate government officials in each of the provinces, and these discussions have produced encouraging results. To date, eight provinces—Saskatchewan, New Brunswick, Manitoba, Newfoundland, Alberta, Prince Edward Island, British Columbia and Nova Scotia—have signed the co-ordination agreement, and it is now being studied in all the remaining provinces. This rehabilitation effort is of course closely co-ordinated with the federal-provincial pension plan for the permanently disabled initiated this year by my colleague, the Minister of National Health and Welfare.

And now, Mr. Chairman, I should like to turn to the estimates of the unemployment insurance commission. There are three votes, one for the administration of the act, one for the contribution of the government to the fund, and one for the transfer of unemployed workers to areas where jobs are available. The vote for administration shows an increase over last year of $2,227,753. Most of this is to be used to meet increases in salary requirements resulting from the general salary revision, normal statutory increments and casual assistance to handle an enlarged load of claims for unemployment insurance benefit. The number of claims received in the fiscal year 1952-53 was 17 per cent greater than in the fiscal year 1951-52, and the number received in the twelve months to the end of March, 1954, was about 25 per cent greater than in the corresponding period of the previous fiscal year.

In spite of this increasing claim load, the payment of unemployment insurance benefit has been speeded up appreciably by the judicious use of casual help during the mid-winter period of seasonal unemployment, and, I may add again, without any addition whatsoever to permanent full-time staff. During the fiscal year 1953-54 a total of $186,850,766 was paid out in benefit, and the number of beneficiaries was 950,000. Total contributions were $190,409,070, with the government contributing $31,735,794 of this amount. At the close of the last fiscal year the balance in the unemployment insurance fund was $881,-278,689, an increase of $29,693,525 over the balance on March 31, 1953.

The most important function of the commission of course is the operation of the employment service. The value of this work cannot be overemphasized. The fact that both employers and workers have at their disposal, without direct charge to them, a national organization manned by men and women experienced in the field of employment is of great value in a country such as ours where mobility of workers is so very important. During the last fiscal year 966,880 placements were made by the national employment service.

Under the provisions of the act the Minister of Finance from time to time credits the fund, out of moneys provided by parliament, with an amount equal to one-fifth of the aggregate contributions made to the fund by employers and employees. Over the years good employment conditions and annual increases in the working force have increased the total contribution of employers and employees and the government contribution has risen accordingly.

The item for the transfer of labour, vote 197, remains unchanged from the previous year in the main estimates but an increase has been recommended in the supplementary estimates now before the house, and is found in vote 671. This item is designed, and the reason for the increase is, to assist in the transfer of unemployed Canadian workers to places where employment is available. Expenditures are made when they can be recovered from employers who are willing to pay the transportation costs of these transfers and, to that extent, provide a revolving fund of working capital to aid in the movement of workers to jobs. Where such a refund cannot be assured and where the minister finds that conditions in an area are such as to warrant such action, he may use this vote to assist unemployed workers in meeting the cost of moving to a job elsewhere. That concludes what I want to say on the opening of my estimates.

**Mrs. Fairclough:** Mr. Chairman, any approach to the estimates of the labour department at this time must take cognizance of the present unhappy employment situation. Despite the optimism expressed by the minister and his officials in announcements which have been forthcoming within the last couple of days, there are still many distressing conditions and the clouds are far from having been dissipated. However, before going into the matter of the unemployment problem as such, there are a few other matters of departmental jurisdiction and labour matters in general on which I should like to make a few remarks. I preface those remarks with the observation that I believe, as I stated a moment ago, that the most important problem is now the pressing one of how we shall find jobs for those workers who are now unemployed.

But there are these administrative matters that should be referred to at this time, and I shall take a few minutes to speak of several matters which have claimed my attention recently. First of all I should like to say something about apprenticeship. The minister made some remarks about it in his statement, and I am pleased to see that the government has recognized the importance of this phase of employment by the increase of $84,000 odd under item 189, which the minister mentioned, and the $125,000 in the supplementary estimates.



It is a fact that there is a grave need for skilled workers in Canada today, and it is a peculiar thing that, in a time when employment generally is at its lowest ebb for many years, there is still this grave need for skilled workers. We are still importing into this country people with peculiar skills to fill positions which otherwise might be taken by Canadian workmen or by those who are already here. I believe everyone who is experienced in labour matters will agree that it is desirable that the learning of skills should be at the practical level.

I am one of those people who believe probably we have a tendency to depend too much upon the teaching of skills in our various academic institutions. We leave too little to the actual practical application of those skills. If then, as has been shown to be the case, there happens to be a lack of incentive on the part of young people to apprentice themselves to a given trade, we might well ask ourselves just whose fault it is. Certainly, it is not entirely the fault of the employer, nor is it entirely the fault of the trade unions, most of whom have apprenticeship schemes of their own and definite rules whereby these people acquire the training they need.

But I suggest to the minister that even the increased amounts to which he has already drawn attention will not entice young people into the learning of specific trade skills unless some other incentive is given to them. While I realize that the minister has had committees working on this very point, I suggest to him that money alone is not going to bring these people into the skilled trades. About six months ago in the *Financial Post* I noticed a summary of apprenticeship matters. There is a table there indicating that training is falling off, and it gives the ratio of allowed apprentices to journeymen. The interesting thing is, for instance, that for bricklayers and masons, while the number of apprentices allowed is 426, the actual number of apprentices employed is only 178. An even worse picture is given with regard to carpenters, where carpenters were allowed 2,475 apprentices and only 333 were actually employed; plasterers and lathers were allowed 242, and only 103 were employed; painters were allowed 1,984 and only 39 were employed. There is a similar picture for plumbers and steamfitters, with 1,514 allowed and 765 employed; electricians, 2,580 allowed and 637 employed.

I believe, Mr. Chairman, that is not only a most interesting picture but also a most

deplorable one. Here, in no case have we even 50 per cent of the allowable apprentices employed—oh, yes, plumbers and steamfitters just manage to come up to the 50 per cent mark. In all other cases the ratio is extremely low and in some, notably in the case of painters, it is quite deplorable. This table only shows the picture in a few of these skilled trades, but I would think it would be similar in others. I would suggest the department should concern itself with a scheme for educating the young people of this country to the importance of these skilled trades and to the opportunities which are open to them in these fields. I believe it is very important to Canada that our young people should be learning these skills and that they should learn them at the most practical level, right in the employment of those industries that will ultimately need them when they have attained journeyman's status.

Along this line of employment at various levels, I should like to speak for a few minutes about the older workers. While workers generally are concerned over employment these days, it is nevertheless a fact the older worker has a general concern of a very different order. Attention has been drawn by many persons in editorials, and in discussion groups on the radio, to the increasing life expectancy of the people of this nation. It is a fact we are living longer these days. We are living longer, and we can expect to live longer still because we have learned how to take care of ourselves. For this we can thank our scientists whose research along medical and scientific lines has produced knowledge that has resulted in the defeat of disease in some cases, in its alleviation in others, and the general enrichment of health in the life of the average person.

It is true that there is a changing age pattern, and it is not yet static. We hope it never will be. We hope that the pattern will continue to change and enlarge. If this is true, then the present retirement pattern is scarcely realistic, taking into consideration the life expectancy of most persons today. The question has been asked before, and it will be asked again, should a longer span of life mean a longer span of work? Of course, this is a question which each individual must ask for himself because many people retire voluntarily at an even younger age than that usually dictated by industry and by the professions.

If it is conceded then that the span of work should bear some relationship to the span of life, then the whole pattern of employment and the age of retirement, which of course is optional, as I said, might well undergo radical changes. With retirement pensions based on the longer work expectancy, it might well be that those over 40 years of age, and who have been experiencing difficulty in finding employment once they have been severed from employment, would not be in such an undesirable position with respect to industry as in the past.

The other day I noticed a United Nations report on work opportunities for older women, and an interesting comment which came by way of a memorandum from the British ministry of labour and national service. Their remarks were these:

> For compelling social and economic reasons the door must be open widely to the employment of men and women able and willing to work, irrespective of age. These social and economic reasons are not remote and abstract. This is essentially a human problem of providing a proper place in our society for the ever growing proportion of elderly persons. The solution to this problem requires a radically changed outlook on the part of employers, workers and the general public. Age 65 for men and 60 for women ought no longer to be regarded as normal retiring age.

The remarks I have just read, Mr. Chairman, from the British ministry's memorandum will find an echo, I am sure, in the hearts of many people today who are at or approaching retirement age and who feel that they still have a great contribution to make to the life of this country. Certain it is that we are even now faced with a fantastic waste of skills and experience, which is sure to be more pronounced as time goes on. I think we must ask ourselves, and the Department of Labour must consider, whether or not we can afford this waste in an expanding economy. And if the answer is that we cannot afford it, then we should make a definite study of this particular problem, with a view to finding its solution.

I should like to ask the minister a question with regard to the Government Employees Compensation Act, because I notice in the April issue of the *Labour Gazette,* to which he has referred, there appears an item in which an official of the compensation branch is quoted as saying the following:

> Some important changes in the Government Employees Compensation Act have been recommended by an interdepartmental committee and are being incorporated in a bill that it is hoped will be submitted to parliament at the current session.

Well, we have seen nothing of that bill, and I am wondering what progress, if any, has been made, or whether the government has thought better of the proposal. Or, if not either of these, is the bill just shelved for this session?

Of course we realize that the matter of federal government compensation is administered by the provinces. Just last year seven of those provinces made rather drastic

changes in their amounts of payment, as well as changes in their regulations. As I understand it, all these changes become applicable automatically to federal employees who suffer injury, and who come under government compensation regulations. I feel however it would be interesting for the house to know just what progress has been made in the study which, apparently, is currently under way.

I should like also to make some observations in respect of the anti-discrimination legislation passed by the last parliament, and in which all of us concurred. I am pleased to hear the minister's remarks with reference to the educational aspect of the work of his department; and I noticed only recently in a news release coming from his department, and also in one of the labour publications, that there is to be a series of eight radio broadcasts commencing next week. It is pointed out that they are to have wide coverage, right across Canada.

No doubt this is part of the educational program the department has undertaken. However, I should like to draw attention to the fact that, while apparently the government is making an effort to bring this legislation to the attention of as many people as possible, the scope of the program could be widened very materially, and greater realism could be given to the whole picture if the Fair Wages and Hours of Labour Act were amended so as to include within its provisions certain provisions of the Canada Fair Employment Practices Act. Along with the representations which have been made to the minister by different organizations, I urge that consideration be given to the inclusion of those provisions in the Fair Wages and Hours of Labour Act.

It is nearly two years since the minister first told us that the department was undertaking a complete revision of the Industrial Relations and Disputes Investigation Act. Last year when the committee on industrial relations met, and was considering the matters referred to it by the house, once again the minister stated the act was being revised, and that the revisions would be placed before the House of Commons for ratification. I realize he did not set a time limit, and I also understand that no doubt it is quite a job. But it seems to me we should be making greater progress. After all, two years is a reasonable length of time in which to expect some sort of report, even if only an interim report. I should like very much to see something done to bring the act up to date and to remove from it that peculiar patchwork-quilt pattern it presents at the present time.

[Mrs. Fairclough.]

Certainly it is true that conditions have changed greatly even within the last ten years; and I think it is about time the minister made some announcement as to when we may expect a revision of this act.

A matter which has claimed a considerable amount of my attention in the last year is the establishment of the women's bureau. Or perhaps I should have said the "non-establishment", because I find that while a year ago we budgeted for $21,560, the estimates indicate that only about $2,560 was spent. I suspect most of that amount was spent in advertising for a director, because that is about the only bit of activity discernible at this distance from the department.

I would ask the minister whether anyone is actually working in this branch. Has it been set up? Is there anyone there? A year ago provision was made for three or four employees. Provision is made again this year, the only difference being that there is to be an increase in salaries—an increase which, I must say, applies to people who were never employed.

Apparently the minister has had some difficulty in securing someone to fill the post of director. I recognize that in the establishment of a new branch it is always difficult to decide upon the qualifications required to produce the desired results. But, in line with my remarks in the house in connection with the civil service estimates, I would say to the minister that if more women—or even some women—were included in courses such as the administration course just completed at Kemptville, there might not be the same difficulty in determining the qualifications of civil servants who would be encouraged to apply for positions like this.

I cannot understand why it has been so very difficult to secure a director. The minister now says he expects one will be appointed soon. Despite that statement however I notice that while the vote is now increased by $2,530 over last year, the amount asked for stationery and office supplies is down by $500 as compared with last year, and that the amount for publications and reports is down to the extent of $1,000. On the other hand salaries have been increased to the extent of $4,030. I am interested in learning the reasoning which would prompt that kind of budgeting. It would look as though the operations of the office are predicated upon an assumption of inactivity for at least another six months. And yet salaries have been increased to take care of a full year's operation.

It is most important that this bureau get under way as soon as possible. Frequently we hear remarks in the house and elsewhere

to the effect that the number of women employees is likely to diminish as circumstances change, and that there are certain classifications of employment not open to women and certain other classifications for which they are not suited. Yet we find in a return from the Department of Labour that 1·8 per cent of the 116,432 women now employed in Canada are employed as labourers, or positions which would indicate fairly heavy work. Some are in transportation, others in farming, and even some in construction work. Certainly these are occupations in which one would not expect to find great numbers of women.

Quite apart from the type of work they are doing, it is a fact that the numbers of women employed and seeking employment increase every day. I was interested in an article written not so long ago by Mr. James Barrie, who writes an excellent column on labour matters for the Hamilton *Spectator*. It is a most interesting daily column and I recommend it to hon. members. He brought out the point that one out of every seven women employed is the sole support of her family. Probably this picture has not presented itself to many people heretofore. They might very well consider that one in seven of all the women employed are employed because they must support dependents. He goes on to say that the reasons that motivate the woman worker today are exactly those that motivated the woman of pioneer days who, because of her position, had to work at home weaving, making clothing and producing many of the household goods. He says it just seems to be that the circumstances differ. In the old days the woman made these things with her own hands, so that the family could enjoy them. Today she goes out to work in plant and factory so that the money she earns may buy them. That is a point we might well consider. We should realize that women in employment are not going to decrease in number but are going to increase, and consequently the problems which they will encounter in employment will increase with the numbers of employees, and the federal Department of Labour should get a move on and get this women's bureau operating, and not finally jump in when the problems have become so numerous that they will not be able to cope with them.

I had intended to say a few words on unemployment insurance, but time is slipping away and I have some other remarks to make. Therefore I shall content myself with just two requests, which I have made before, and which I could not overlook when speaking on the labour estimates. My first request is that the minister abolish regulation 5A (1). It has been a thorn in the flesh for some time now. It has been changed a couple of times. The fact that it has been changed would indicate that the department itself is not too sure of it. I urge the minister to see that this clause is taken right out of the regulations. It permits a discrimination against women that does not exist against any other types of employees. I can see no reason for having this discriminatory clause in the regulations. It just offends one section of worker. I urge him to take it right out of the regulations and be done with it.

The other matter on which I wish to speak is the appointment of a woman to the unemployment insurance commission. I have made this request every year and I make it again. I have an idea that the minister's reply will have something to say about the way in which the commission is set up and as to how the appointments are made. I am quite well aware of that, but there is nothing in the regulations that would prohibit the enlargement of the commission by one member, and I urge the minister to take this strongly under advisement, because I am sure the women workers of this country need and deserve representation on that commission. I am sure of one thing. If there was a woman on that commission clause 5A (1) would not be written into the regulations.

There is another major problem which has been in existence for a long time. I refer to the responsibility for unemployed employables. I have spoken on this matter in the house on a good many occasions, and not only on the labour estimates. It is a problem that is assuming considerable importance in the life of the present-day unemployment picture. A short time ago a pamphlet was published by the Canadian Welfare Council which is entitled "Public Assistance and the Unemployed". I am sure the minister is familiar with its contents. If any hon. members are not I would suggest that they get this pamphlet and study it. In the introduction it points out the various committees which have been set up and the reports that have been made from 1938 on. It makes this statement:

> No action has been taken on the recommendations in any of these for public assistance to the employable unemployed.

The recommendations have been gone over in this house on numerous occasions. Probably the best known are those which are made in the dominion-provincial conference report and which were set out as government recommendations. And yet nothing has been done to implement them.

To come back to this pamphlet of the Canadian Welfare Council, may I say that a

number of suggestions and recommendations are made. I shall not attempt to name them all, but the ones that immediately attract my attention are these. The first one I should like to refer to is No. 2 in the recommendations. It states that the Unemployment Insurance Act should be kept under constant review. I am sure we all agree with that, Mr. Chairman, because this act has been in operation for some twelve or thirteen years. I believe the minister tabled the thirteenth report this morning. Basically there has been very little change in it.

Under the heading, "Review of the Unemployment Insurance Act", the report cites various points which should be kept constantly in mind. The report claims that the duration of supplementary benefits should be extended and the amount increased in keeping with increasing costs of living. It mentions also that the greatest possible flexibility in procedures should be permitted in order to meet needs quickly and with the minimum of administrative difficulty. One of the other recommendations, which is important, is one which has been made in this house on two or three occasions in the last couple of years. It reads:

> The needs of the unemployed in periods of "abnormal" unemployment, national or regional, should be planned for in advance, by the legislative provision of extended benefits for persons who have exhausted their insurance rights—

It goes on to state a point that was brought out in the dominion-provincial report, not in quite these words, that the federal government should assume most of the financial responsibility for the residual assistance required by all employable unemployed persons not provided for adequately by unemployment insurance or extended benefits. It proceeds to set out ways and means for doing just that.

I cannot see how the federal government can escape responsibility when, by its own admission, by its own statistics, it is proved that there is still a large percentage, almost one-half of the labour force in Canada, which is not insured or insurable under the act. There are several other comments in this pamphlet which are worthy of consideration, but once again I find time getting away from me. I should like to say this. The matter of responsibility for unemployed employables, and those who have exhausted benefits, or for one reason or another are unable to qualify for unemployment insurance benefits, is of very grave concern to everyone in this country. The mayors and reeves association made their own particular contribution to the consideration of this problem. I hold in my hand press reports which quote various mayors and reeves and their comments on what is to them a very grievous problem.

It is true that social service and welfare workers across the country have also made representations to the government. The real estate taxpayers of the municipalities know full well who is going to pay the shot for increased welfare costs in times of serious unemployment. We could very well ask ourselves just how bad it must be before the federal government will take the matter into consideration. If, as has been claimed on several occasions, the provinces should enter into the matter, then let us get together with the provinces and find out wherein lies the solution to this problem. Let us take the load off the backs of the home owners in Canada who are otherwise forced to carry the entire load of unemployment relief for these people who should be covered by the provisions of the Unemployment Insurance Act.

Now, Mr. Chairman, I should like to come to the most important problem which we have to face today, and that is this matter of serious unemployment into which we have fallen this year, and from which it looks as though we will not easily recover. If the employment situation is a cause of concern in the month of June at the time when the difficulties of seasonal employment would, we are told, have been overcome, what can we expect for next autumn and winter? Has the government an answer to that question? If so, this house and the worried people of this nation should hear about it. Has the minister taken any steps to inaugurate a program of training for unemployed persons in parts of Canada other than at Marysville? Has the program undertaken there been as successful as the minister had hoped that it would be?

I notice that as late as about three weeks ago the publicity director for the textile workers union reported that the Minister of Labour told a recent textile delegation to Ottawa that he is considering initiating a scheme of vocational training for unemployed textile workers. I would like to hear about that and to know just what is being done.

On May 13 in a news release from the minister's own department reference was made to ways and means of extending training for unemployed persons, a matter which the minister apparently had urged upon the delegates to the Canadian vocational training advisory council. But, whatever the picture is at the present time, we would like to know just what is being done.

The minister referred to an amount in the estimates for moving jobless persons from

one part of the country to another. But how many of these people can be moved? I would venture to say that only those who are single and have no domestic responsibilities can really be moved to another part of the country, because it is an almost impossible task to uproot a man and his family from one municipality to another even if it is only a matter of a few miles away. These are matters which we have to consider.

It is all very well to say quite blithely, "We will move some of the jobless from one district and put them down in another district." But if the minister tries to put such a scheme in operation he will find it is an entirely different matter.

There have been a number of reports issued, so many in fact that it is almost impossible to keep track of them, in which there have been assertions by various members of the government and by some of the leaders in industry that the present labour situation is largely due to seasonal fluctuation. But I contend, Mr. Chairman, that this is a totally false viewpoint and I should like to spend a few minutes on this matter of seasonal unemployment.

Personally I am sick and tired of the phrase. I think it has been overworked. I think it is becoming an excuse for anything and everything regardless of whether seasonal or not.

The other day the monthly report from the minister's department was issued and it stated that the spring pick-up is now in full swing. But I contend that any pick-up, spring pick-up or otherwise, which leaves over 358,000 people out of work is not swinging very freely and, in fact, despite that pick-up, 7 per cent of our labour force remains idle. In view of that, does the minister think that 7 per cent of the labour force is a negligible amount, particularly in the month of May, which is the month in which these figures were issued?

Every month since the first of the year little squibs have appeared in the newspapers carrying optimistic headings, but the figures are dreadful. For example, one reads, "Unemployment rise is halted on the first day of June." Yet the figures show that in the city of Hamilton there were 10,220 people seeking work and the week before there had been 10,178. In other words, there were 42 more people seeking work on a day on which the "unemployment rise was halted". Another one reads "fewer males seeking jobs than a week ago." But it fails to show that there were a lot more women seeking work than the week before. Here is another, "Number seeking work declines," and there again the figures show that the number of males seeking work had declined by about 100 and the number of women seeking work had increased by 200. Yet another, "Jobless figures show increase", and that is the only pessimistic headline among all of these. But then it seeks to alibi the matter of increase in unemployment as of June 12 by starting out in this fashion: "The temporary closing down of the Ford plant at Oakville made a considerable difference." Well, of course, that is what causes unemployment, namely, a shutdown or lay-off. But why alibi that? Why not say the jobless figures show an increase? It might be said, "Oh, yes, but this is only because the plant has had a lay-off or a shutdown." But that is what causes unemployment, and it is still unemployment no matter what the reason for it may be. It does not help anyone to say, "Well, this is only a temporary condition and you will all be back at work in a month or so." If there is no pay envelope coming in it is still tough to take for all these workmen and their families.

Even in the trade papers issued by the banks the story is much the same and we find an apology for the current conditions, though it is a rather watered-down apology, for it says, referring to the increase in number of unemployed: An increase of 36,000 relative to mid-March is below the seasonal increase reported in 1953.

All the way through these various press reports there have been apologies or half apologies for conditions, but in every case it says, "Well, true enough, conditions are bad but not as bad as they might be." Or, "Everything is going along fine, true enough at a somewhat slower pace than last year."

But even after saying that employment increased seasonally but at a slower pace, the report from the minister's department states that the unemployment level was about twice as high as for the same period a year earlier. In other words, it is increasing but not fast enough, and it is still twice as bad as it was a year ago. So the picture goes on all the way down the line, and while the minister has had a committee working on the problem of seasonal unemployment the number of industries which claim to suffer from seasonal unemployment have increased. Perhaps what the minister should do is to throw out the committee. Perhaps seasonal unemployment might not then be so bad if the committee did not function. Possibly it should be the other way around, and perhaps the committee in its deliberations has found more industries are affected by seasonal unemployment than the minister has been

aware of previously. But whatever the case is, it is still true that the number of industries which are now deemed to be suffering from seasonal unemployment is greater than it was. Yet at the same time the work of this committee was supposed to be to find ways and means of relieving that situation.

In the April issue of the *Labour Gazette* I find a complete report of this committee. I read the thing through. It makes some recommendations. This report came down on February 17. I wonder what the minister's department has done to implement any of the provisions of that report? Four months have elapsed and in those four months we have gone through some fairly rugged times; and it looks to me as though we shall go through more of them. I should like to know what the minister proposes to do with regard to the recommendations of that committee. Will the recommendations be left as were the recommendations of other committees which I cited in connection with the responsibility for unemployed employables, or will the department really get down to work and try to do something about them?

After all, Mr. Chairman, the outlook is far from bright. It is only about a month ago that the minister at a meeting in Montreal was bragging that we had passed the unemployment peak for this year. I use the word "bragging" advisedly because I do not blame him for that. I am sure that any little break in the clouds must have looked particularly bright to him. But an article which appeared in the Belleville *Intelligencer* points out that the effect of unemployment is cumulative, and it goes on to say this:

> Many of those who were unemployed during the past winter exhausted their benefits. Getting jobs this spring, they will easily qualify for more benefits next winter, should they again become unemployed—but the periods for which they will be entitled to draw these benefits are likely to be shorter. If seasonal unemployment were to continue, even the man who, through years of steady employment, had built up a right to receive benefits for the maximum period of one year would eventually find his "savings" had dwindled away.

It then goes on to say this:

> That is why, just because the employment situation improves with the coming of spring, we cannot afford to be complacent about the factors which left men without work during the winter.
>
> Unemployment insurance, like a savings account, is a great friend in need, but it is no adequate substitute for steady employment.

Mr. Chairman, the time which is at my disposal has expired but I should just like to say a few more words. No nation is greater than its people, and no economy is stronger than the degree of employment it provides. What makes prosperity? Jobs make prosperity. The labour income of this country has been cited as being 62·3 per cent of the total personal income. What happens to our economy when more and more people are unemployed? What happens to us when pay envelopes are cut off from those workers? It is not the millions of dollars which are poured into oil fields or mining operations that make prosperity, lucrative though the returns from those operations may be. It is jobs for Canadian workers. They and they alone are the backbone of this economy.

When a government becomes so short-sighted that it seeks to tax commodities right out of a competitive position; when the members of that government blithely refuse to regard the danger signals; and when complacency permits unemployment to mount without any attempt being made to correct the situation, save where it happens to hit the constituency represented by a cabinet minister, then the danger to the economy is grave indeed. It is grave not alone because of what has already happened but because of the indifference of those who should be planning for the months ahead when, following a historical pattern of employment, we may expect less employment than in these summer months. If the government is misjudged—if it has been making plans—then let us know what those plans are. Let the minister tell the House of Commons what he intends to do and thus take the load of anxiety off the shoulders of all those people in this country who have been worrying themselves sick over the situation.

**Mr. Gillis:** Mr. Chairman, it is always a pleasure to discuss the minister's estimates; there is a great deal of meat in them. I am going to be as brief and as realistic as I possibly can. I listened with a great deal of interest to the hon. member for Hamilton West and during the course of her remarks I was wondering about certain things. She made a good deal of valid criticism on many matters, but in the final analysis, when it comes to a matter of regulating the economy of this country to cure the problems that she complained of, I think she forgot that both she and the minister play on the same team.

**Mr. Fulton:** Be careful.

**Mrs. Fairclough:** That is only the hon. member's conception of it.

**Mr. Gillis:** All right. Before I am through I hope I shall be able to convince the hon. member. I have been sitting here and looking at the minister, whom I have known for a long time. I am sure that the next four or five years in the field about which we are talking today are going to be some of the toughest years this country will ever have

gone through and that it is going to take a great deal of serious thinking and co-operation on the part of all of us if we are to avoid the greatest possible dislocation and discontent among our people.

I appreciate the fact that the minister is obliged to play according to the rules of the game. That is what I meant when I said that the hon. member for Hamilton West and the minister, when it comes to the mechanics of society, are playing on the same team. They both believe in a system of free enterprise. The minister is doing the best he can to make a very bad state of mechanics work. The old 1903 model Ford car cannot compete with the Cadillac of today. That is exactly the position that the system is in.

**Mr. Michener:** A socialist Cadillac?

**Mr. Gillis:** The hon. member has not the slightest idea what he means when he says "socialism". I would suggest that some time during this debate he define socialism for us. He is just frightened of that word because the manufacturers association and the bankers association and those who are responsible for unemployment in this country have told him that there is something bad about socialism and he continues to throw that bogeyman around. Let him tell us something about it during this debate.

**Mr. Michener:** I shall be very glad to do so. I believe what I say.

**Mr. Gillis:** All right. I should like to hear his definition. I have heard that crack made so often that I am getting fed up with it.

To return to this matter of unemployment, may I say this. Unemployment is merely the symptom of a disease in the body politic. That is all it is. Why have we unemployment in this country today? That is the first question. If you get a disease, you call in a doctor and put yourself in his hands for examination and diagnosis. Then when he tells you what is wrong with the body, he will generally recommend something to cure it. The reason we have unemployment today in Canada is international cutthroat competition. There is not anyone who can dispute that statement. Why has our textile industry gone practically out of business? Simply because they cannot compete with the textile industry in the United States and with textiles coming in from Britain. The basic philosophy of both the Liberal and Conservative parties is to maintain the status quo, the system of free enterprise, and the basis of that is competition. Textile workers are unemployed in Canada because international competition is preventing the selling of Canadian textiles and the maintenance of the standards that have been built up. That is why textile workers are unemployed.

The same thing is true of the electrical appliance industry. That industry is making the same complaint. They are laying off men. They cannot compete with the products of other countries. It is competition again that is responsible for unemployment in that industry. The same thing is true of the automobile industry. There is competition between Ford, Chrysler, General Motors, the little English cars, and to some extent today cars coming in from Europe in the cheaper price field. Again it is competition.

We are only starting to get into this situation. We would have had it for a long time if it had not been for Korea. Prior to the outbreak of hostilities in Korea we were pretty much in the same position with respect to employment as we are today. But we diverted a lot of money to the manufacture of armaments, threw them away and still maintained full employment and prosperity. We have got to examine that question if we are going to get any sanity in our economic set-up.

I do not expect the Minister of Labour to cure unemployment as long as the country has to function in the way it is functioning today. Drastic changes will have to be made not only in Canada but elsewhere because today the problem is world-wide. In my judgment the final answer to unemployment in the world rests with the United Nations. We set up the United Nations Organization in the first place to maintain peace and negotiate international difficulties in the only way that befits this day and age, that of sensible people sitting around a table and working out their problems in a sensible way. But in addition to giving it the responsibility of policing the peace of the world we set up other organizations in conjunction with the United Nations that were designed to iron out the kinks in other fields. We set up the world bank to deal with the question of international finance and the world food organization that was going to distribute the surplus foods of the world to people without food.

In the final analysis that is where the answer to this whole problem will be found, and it will not be found by fighting among ourselves either in Canada or in the United States. All of the mechanics are there but they are not permitted to work because of this other idea of competition. We have had two or three hundred years of competition. We have had two wars and a partial war with depressions between wars. Surely it is time that we smartened up and began to realize

that the mechanics that have pretty well destroyed us over the last two or three generations cannot work. Some serious thinking has to be done about the problem, and we must realize that about 75 per cent of the people of the world are starving to death.

The answer to unemployment in Canada and the United States lies in international trade, and unless we can free the channels of trade and get our goods moving to places where they are needed we are not going to cure unemployment. Do not forget that countries are going to have to give up some of their sovereignty if they are going to take part in a world government. They are going to have to try to do something for the world and not stick to the old outmoded machinery just because it was good for their grandfathers. The difficulty in the world today is to get people to let go of anything that they think belongs to them. You do not have to leave this chamber to see that. When you suggest changing the hours and cutting speeches from forty minutes to thirty minutes everybody gets on their high horse and says that ten minutes belongs to them and they are going to hang on to it.

It is a difficult thing to get individuals, sections of a nation or a nation to let go of things that they consider are their right, but before an answer is found to the problem of distribution throughout the world some concessions will have to be made. It is a question of distribution. Unemployment is a misnomer. We have got an abundance, and every time we have an abundance we get in trouble. We have learned how to build atomic bombs and all that kind of thing but we have never learned how to distribute food. Getting that food into somebody else's hands is a terribly difficult problem.

I have no intention of delivering a lecture on socialism. I hope my friend will give us one when he gets a chance to talk. I want to make certain suggestions as to things we can do that might relieve the spots where there is trouble. I leave the thought with the Minister of Labour that at this time in 1954 unemployment is 90 per cent worse than at the same time in 1953. That is not good, but as I said before you cannot solve the problem alone. You have got to get co-operation. You have got to get the surpluses of the country moving. No matter whether we sell them or give them away, we have got to get them moving. Otherwise we will have more unemployment.

But there is something that can be done. The minister will remember that he has had some correspondence on the question of the relationship of section 108 of the Unemployment Insurance Act and subsection 1(f) of section 31 of the same act. I sound like a lawyer, but this is what I mean. In July, 1953, about 1,600 men were laid off at colliery 1B of the Dominion Coal Company. At the time they were laid off they were paid their vacation pay covering two weeks coming to them in 1953 and a week coming to them in 1954. That was in July, 1953. The unemployment insurance commission, applying subsection 1(f) of section 31, decided that they were not entitled to unemployment insurance because they had received that vacation pay.

In my opinion a section in the act that permits a ruling of that kind is wrong. These men paid their unemployment insurance dues in order to protect them during a period of unemployment. When these 1,600 men were laid off en bloc they were unemployed. They were not on vacation. They paid for that insurance in order to get certain benefits as laid down by the act if they were unemployed, and they were unemployed. The three weeks' pay they received was received as the result of the trade union agreement between the employer and the employees. It was a gratuity which they were paid for services rendered. I want to leave this thought with the minister.

When an industry shuts down for vacation purposes it is not compulsory to go on vacation. If it had been the case of an ordinary vacation and these men had wanted to remain at their employment they would have got their vacation pay and wages for the period that they worked. In my judgment that should influence the people who made the decision in that case to either change that regulation so that the situation can be treated as straight unemployment or the regulation as it stands should be interpreted to mean that these men were unemployed, which they were. They were laid off. Let me deal with how section 108 comes into the picture. These men went back to work a month or two ago, although some are not back yet. If their employment had been continuous, in August of this year, they would have been getting their ordinary two weeks' vacation. There is no vacation coming to them, because they have not been working a year.

These mines will close down at that time for the two-week vacation period, because that is part of the agreement between the men and the company. These men will find themselves laid off for two weeks, and they will not be able to draw any unemployment insurance because they will not have worked

a sufficient time to make the necessary number of contributions that would entitle them to draw unemployment insurance. They were laid off, and they will be laid off again for vacation purposes, and they will be penalized again so far as unemployment insurance is concerned.

There are about 1,600 men affected, and in my judgment the unemployment insurance commission owes that group of men three weeks' unemployment insurance. I would suggest that the minister and some of his officials take a look at the section of the act I have mentioned and at least determine the status of those men when they start their vacation period. They will not have any vacation pay. If they were not entitled to it when they were laid off first, then they should certainly be entitled to it when they are idle in August for vacation purposes and have not any vacation pay coming to them. They should not lose it at both ends; they should get the protection for which they paid. The minister and his department can do something about that, and I hope they will.

The second matter to which I should like to draw his attention is also a matter about which he can do something. At Moncton, New Brunswick, there is an agency known as the Drake-Merritt employment agency which selects personnel in Canada for contracts that are in the hands of the United States government in Labrador and Newfoundland. This Drake-Merritt agency has recruiters, people who go around and pick up men for these jobs. They are not taking their men through the national employment office. I want to stress again that the employers of this country who are looking for employees ignore, in so far as they can, the national employment offices. The big employers in this country did not want the national employment offices. They accepted them partially during the war when there was a shortage of labour, but I know that so far as the steel company is concerned and the coal company, they do not put their requirements through any national employment office. They pick up their own personnel through their own agency.

Now, this Drake-Merritt agency in Moncton, under some arrangement with the Newfoundland government, must take all the unskilled labour they can get from Newfoundland. The skilled labour can be picked up anywhere. I am making this complaint to the minister on behalf of the national employment office in Sydney. There are mechanics, machine tool workers and skilled tradesmen of all kinds registered at this office, and to my knowledge that office has been trying to get the recruiters at Moncton to take some of that skilled labour. They have not been successful so far in getting any co-operation from the recruiters who operate from this agency. I would suggest to the minister that this is a United States agency and it should at least work through the employment offices rather than pick up their personnel wherever they see fit. I would suggest the minister might communicate with this agency from Ottawa, and do something to have this condition rectified.

There is another thing about which the minister can do something. A complaint was made in this house on one or two occasions that there was a possibility that immigrants coming into this country were being used by employers for the purpose of reducing wages. The evidence I heard here in the house was not conclusive proof that that might be taking place. I have accurate information, however, that there was a lumber firm at North River Bridge in Nova Scotia, known as the Mariana timber company, which tried to secure 200 immigrants from Montreal to work in the lumber camp established in that area. This shows that there is a labour supply available in Montreal through immigration circles if the regulations can be circumvented by an employer who wants to pay less than the going wage.

I want to tell the minister again that it was due to the vigilance of one of his offices that the employer did not obtain the personnel through immigration circles in Montreal. I am not saying that the immigration people in Montreal would have co-operated, but the evidence is that there is a source there to which employers can apply for surplus immigrants who are in that area if they can find a way of short-circuiting the regulations. The fact that this employer asked for 200 immigrants to work at wages that would be much below those prevailing in the area proves that there are employers in this country who will make use of immigrants for that purpose unless the labour department is on its toes and makes it compulsory to route all immigrants for employment purposes through the proper channels. If a surplus labour force is built up in this way in some centres, then employers who are interested in the economy of this country can obtain labour at bargain prices. The area into which these labourers would have been moved could be called a depressed area, so there are labourers available in the area. This employer would have brought in 200 more men to dump into the area because he wanted to make a few more cents on the cutting of lumber.

I mention this now to the minister because one of his offices was smart enough to put a sprag in that kind of thing. However, the

next area in which that type of thing occurs, the office might not be so vigilant. I feel there should be some definite understanding between the department of immigration and the Department of Labour that immigrants brought into this country cannot be used for that purpose.

I know, Mr. Chairman, that everyone wants to get home, just as I do. I am going to finish by saying this in connection with the matter of vocational training. I have told the minister privately, and I have told him publicly, about the great need all over this country for vocational training, with particular emphasis on the island of Cape Breton. That island is one of the biggest industrial sections east of Montreal, where a third of Canada's basic steel is turned out, as well as about half its coal. And employment conditions are bad. I do not think I need stress to the minister the need for a vocational training school in that area, because he is fully aware of it. But the angle I do want to stress is this, that the reason there is no vocational school in the area is that apparently the provincial government has not been able to raise money to match the grants of the federal government, under the agreements applying to the provinces.

At some time the department is going to have to sit down with the provinces and try to work out some kind of agreement that will enable some vocational training to be carried on in all the provinces across Canada. It is not possible today to get equality in all these fields, because of the differences in provincial income. We have gone into that matter on many occasions. I am sure if the government in Nova Scotia would co-operate with the federal government, something could be done. I know this, that the federal government has leaned over backwards, but the province has just shrugged it off with the statement that it cannot match the grants.

If there is a dominion-provincial conference —and indications are that there may be—this matter should be on the agenda, with a view to getting some equality across the country in the matter of vocational training.

That is all I have to say at the moment. There are some thought-provoking items in the minister's estimates, and no doubt very soon we will be chucking some short questions in his direction.

**Mr. Hansell:** Mr. Chairman, this group believes it should avail itself of this opportunity to say something on the first item in the estimates of the Department of Labour. Before going into the particular theme I had planned, however, I should like to make one or two observations concerning the speeches of hon. members who have preceded me in the debate.

[Mr. Gillis.]

I am not so much concerned about the little bit of by-play which may have gone on between the hon. member for Cape Breton South and the hon. member for Hamilton West, when the former indicated that the latter was playing on the same team as the minister. I do not know whether or not they are on the same team. I cannot quite reconcile myself to the belief that the Liberal party in Canada is in every particular a free enterprise party. However, this may all be a matter of interpretation.

If anyone were to ask me which side of the game I am playing on I would say that I am not going to be on either side, just so long as the rules continue as they are now. I do not think the game is to be played between the free enterprise side and the socialist side. Surely that is not the problem. As I see it, the problem is not one as to who plays the game, or the plays they make, on whatever side they may be. The problem is that the rules of the game are wrong. No matter how it is played, under the present rules no side will win, and the whole country will lose.

I believe that sometimes we need to redefine the purpose of industry and of government. It appears to me, if I may judge from speeches made in the house, that hon. members appear to think that the purpose of industry is to provide jobs. I do not think that is correct. It is not my belief that industry exists primarily to create jobs. I believe a coal mine exists to produce coal, that an automobile industry is there to produce automobiles, and that an oil well is drilled to produce oil. The purpose of industry is to produce those things which the people of the country enjoy.

Then we hear this attitude: Well, now, the government is supposed to manage industry so that industry can provide jobs. In other words, it is said that indirectly the government exists for the purpose of giving jobs. I do not think that is right, either—that it is the purpose of government to give jobs. If it is, then we might as well have the extreme socialist state and say: Now you are in power; just take over and put everybody to work. If that is what the people want, it can be done—as it is done in certain parts of the world.

The fact of the matter is that industry exists for the purpose of producing the things the nation requires to enjoy a high standard of living. And when industry has done its job—and in this instance it has—the problem that is basic is this: How are we going to distribute among the people the things industry has produced so that the people can have them?

A moment ago I said that at times we must redefine our terms. We say that people need jobs, that they have got to have jobs, that they want jobs. It is all very well to say that; but when the statement is completely analysed we realize that it is not jobs people want. The fact is this, Mr. Chairman, that if it is jobs they want, then all their lives they work as hard as they can to acquire enough income so that they do not need to have jobs.

What people must have is income; and when we think in terms of income another factor enters the economic picture. I said a moment ago the purpose of industry was to produce goods. When industry has done its job of producing goods we should be able to sit back and say: Now we have surely accomplished a great thing in this country; now we can sit back and enjoy ourselves. But that is not the way it works out, at all. When industry has done its job and has produced an abundance of everything we just sit back and, instead of taking out our pipes and smoking them, with the thought that we can take it easy, everyone becomes worried lest they are going to starve in the midst of this abundance that industry has been able to supply.

Even the hon. member for Cape Breton South said that we have an abundance, and that the problem is one of distribution. We have been telling parliament and the country that very thing for the last 18 years. Of course it is a problem of distribution. Let me ask, how can that problem of distribution be met? By putting everybody to work and producing more? The hon. member for Cape Breton South did not answer that. I know a little play went on between him and one of the hon. members of the Progressive Conservative party in respect to defining socialism. The hon. member asked him to define it. I am not so particularly anxious whether he does it or not, but may I tell you what I should like. I should like some of these socialists to define socialism for us. I should like to know just exactly how, if there were a socialist government in this country, they would distribute the abundance by giving everyone what is known as full employment. I should like to know that. I should like to hear them say how it could be done; I should like them to give us a picture of how they would administer that matter from the very beginning to the ultimate end. Trace it all the way through. Say: We would first do this; second, we would do this, until we would eventually arrive at this stage. I should like them to tell us how they would handle that thing step by step. I should like to know whether it is worth while plunging this country into a state of extreme socialism. As far as I can diagnose what is happening in the world today—I may be wrong; they can correct me if I am wrong—I do not believe that there has been what our C.C.F. friends would term a socialist government in the world that has solved the unemployment problem. The only governments that have actually solved the unemployment problem have been the extreme socialist states, those that are behind the iron curtain, or the national socialists of Germany previous to the war. Those are the only governments I know of that have been able to do it. What I say is, it is not a matter necessarily of solving the unemployment problem. It should not be looked upon as being a problem; it should be looked upon as being an accomplishment that we have been able to reach such a vast stage of production with the least amount of work. It should be an accomplishment to be able to take the sweat and the toil from the backs of our workers. It should be an accomplishment, if we can produce an abundance with five hours' work a day instead of eight hours' a day or a forty-hour week. That should be an accomplishment, but instead it is a problem.

The problem of course is income. We in this group claim that the present functioning of the economic arrangement, such as we have, does not return enough money out of the process of production to buy all the goods produced; therefore incomes must be supplemented. We have been proclaiming that for many years, and that is the thesis upon which we work.

These are some preliminary observations I wanted to make, complementary to the speeches that have already been made; but I rose particularly to present another angle that is not usually referred to in the course of a debate on labour. It may be casually mentioned at times, but I should like to present this for the minister's consideration. I know his department realizes the situation and I am sure they have not been idle in doing what they can in at least trying to diagnose the problem; whether they have the remedy for it or not is another thing.

I should like to put up a plea for the older worker. That is a problem in the present-day functioning of industry in respect to labour. How often do we hear of a man of forty or forty-five or fifty coming home and saying: "Well, I do not know; but I guess I am getting too old". They do not want to employ the older man any more even though he is not particularly old as

far as the numerical age is concerned. It is common talk that they do not want to employ older men any more. This is a young man's age. Well, it may be a young man's age to a large extent. I do not wish to discourage the young man at all; it is a young man's age very largely. We live in an age of speed. Our best pilots and aeronautical engineers and so forth are very largely young men. They like adventure; they are able to do it. When a man gets to be thirty-five or so he cannot fly with the same precision as he used to. That is the claim, and there may be something in it. I am not saying it is not very largely a young man's age. But, after all, if you take all the older brains out of our modern civilization I do not think there will be very much left to run it. However, there appears to be that idea abroad. It is largely a mental condition that even management in industry has adopted. They believe that the younger man can do more than the older man. They fear that there are certain obstacles in the way of the full use of our older workers. I think it is largely developed by a mental prejudice rather than anything else.

That mental prejudice can be broken down into three thoughts that I believe will hardly bear investigation. The first one is that the older worker is not readily adaptable to learning new techniques in a rapidly developing age. The second is that absenteeism is a problem and that absenteeism is found largely among older people because accidents are more frequent or perhaps sickness is more frequent. That idea could be exploded. The third is that age brings a sort of slow-down and lessens production. I believe that all these three ideas can be exploded when they are looked into and analysed.

As I said, I do not believe these prejudices are well-founded. The danger of these prejudices remaining in the minds of management is that they prejudge the situation rather than investigate it seriously.

I should like to put on the record some thoughts. One authority has said that a man of sixty may be as young, as vigorous and vital as the average man of forty. I want to quote from a reference to the ageing process by Dr. Edward J. Sheglitz, a leading American geriatrician, who says:

> The changes which come are not all decline. I think there is a general opinion that it is all downhill. Speed of reaction does diminish; but endurance increases in certain capacities.

[Mr. Hansell.]

> It is not without significance that the records for all the sprints are held by youngsters but the marathon records are held by men 38 to 45 and have been for many years. Endurance of a certain type, for the long, slow grind, the continuous type of labour operation, increases. As speed declines, skill declines, judgment increases. The mental changes are not all decline either. There is some depreciation in the ability to learn but it is extraordinarily less than the average person assumes.

Now, Mr. Chairman, here is another quotation from Dr. Nathan W. Shock, chief of the cardiovascular diseases and gerontology section of the United States public health service:

> It should be pointed out that no differences in efficiency in the performance of moderate work are observed between the ages of 17 and 71 years. This finding is of considerable importance since most work of an industrial nature falls within the classification of "moderate work".

Now, Mr. Chairman, in taking the matter of the adaptability of age to new techniques I think experience has to a large extent given the lie to that old saying "You cannot teach an old dog new tricks". As somebody said, "You can teach old dogs new tricks if the old dog wants to learn and if the teacher is smarter than the dog."

The psychological research department of Columbia University, which dealt with the mental ability of several hundred test cases of older workers, found that the intellectual power to learn does not change between the ages of 20 and beyond 70, and we are told that in this same investigation by Columbia University which dealt with the efforts of a class of 300 to learn the Russian language, there was no significant difference between the ages with respect to their ability to learn.

Now, let us deal for a moment with the accident frequency and the absenteeism rate as age increases. I do not think I need labour the point by argumentation but I do wish to put on the record a table which was devised by the bureau of labour statistics, a branch of the United States government. This analysis was published three or four years ago and perhaps, Mr. Chairman, in order to save time I might have the consent of the committee to put this table on the record. It covers only about a dozen items and it would save time, and figures are laborious in any event.

**The Deputy Chairman:** Has the hon. member permission to place this table on *Hansard*?

**Some hon. Members:** Agreed.

**Mr. Hansell:** The table is as follows:

| Age Group | Absenteeism per 100 work days | Non-disabling injuries per million work hours |
|---|---|---|
| All age groups | 3·4 | 980 |
| Under 20 years | 5·5 | 1,230 |
| 20-24 years | 4·9 | 1,500 |
| 25-29 years | 4·3 | 1,560 |
| 30-34 years | 3·6 | 1,420 |
| 35-39 years | 3·4 | 1,240 |
| 40-44 years | 3·5 | 1,050 |
| 45-49 years | 3·4 | 990 |
| 50-54 years | 3·3 | 740 |
| 55-59 years | 2·8 | 630 |
| 60-64 years | 2·9 | 560 |
| 65-69 years | 3·3 | 430 |
| 70-74 years | 3·2 | 320 |

I do not think I need say any more, Mr. Chairman, with respect to the older workers except to suggest to the government that they might perhaps do something along the lines I have suggested. How they are going to do it is their own business, and perhaps they are already doing something along that line, but perhaps management requires to be re-educated in this matter. I do not know what procedure the government has of making suggestions to management throughout the country but I do believe they could embark on a study of this thing and present it to management throughout the country and say, "We want you to do all you can to encourage and employ older workers." After all, even though they may say, "Well, we think we are getting more out of our younger workers," the fact is that in 25 or 30 years' time the younger worker becomes the older worker.

It will certainly work to the advantage of management to recognize the abilities of the older worker. For one thing he has experience behind him, steadiness and reliability, and surely when it comes to a question of craftsmanship age is a contributing factor in the quality of such craftsmanship. You cannot learn to be a real craftsman within a few months. I know we are living in a modern age and it is surprising what can be done. I am not a craftsman, but it is surprising what I can do around my home with my little power tools, my circular saw, wood turner, and a few other things, but I do not claim to be a real craftsman. As a matter of fact, and I think the minister is well aware of this, we are not turning out the type of craftsman in Canada that they are turning out in some of the older countries. That is a well-known fact and you only have to look over your shoulder to see it.

Some of the immigrants who come from the older countries of Europe such as the Scandinavian countries, Germany, France, and others, have spent years apprenticing themselves to certain arts within the realm of labour. Even painters spend years apprenticing themselves to their craft. No one would think there was much of a job in slap dabbing a brush over a barn. But I had an experience not so long ago when one of these immigrants came to a neighbour of mine who wanted a paint job done and the immigrant said he would do it in so many hours. He said, "It will take me longer to do it than my competitor but I will guarantee that it will last longer and be a better job." My neighbour thought the matter over. He could have had the job done a little cheaper by another man who was not such an experienced painter, but he decided to pay a little more for the services of the skilled man, and when that job was completed my neighbour said to me, "Well, I did not make any mistake in having that man do the job." However, Mr. Chairman, I simply mention that in passing as an illustration.

Men can become real craftsman only by many long years of applying their hands, minds and tools to the task. I think there should be plenty of places in our industry for our older workers. My plea this afternoon is for the older worker, and when the minister comes to reply I would appreciate it if he would give the committee some idea of what the government is doing to encourage industry to keep the older worker in employment.

**Mr. Noseworthy:** Mr. Chairman, I have some questions on the various items but I also have a few general remarks to make, and they can probably be made at this stage. Before I go into the question of unemployment I want to call to the minister's attention one particular case. A month ago I placed on the order paper a number of questions having regard to the relationship of a company known as the R. F. Welch company with the department of immigration and the Department of Transport. Only a couple of days ago I received some correspondence from the general chairman of the brotherhood of maintenance of way employees of the Canadian National Railways with reference to a matter which comes under the jurisdiction of the Minister of Labour. The general chairman says this:

> As general chairman of the brotherhood of maintenance of way employees on western lines of the Canadian National Railways, I am very much interested in the outcome of questions raised by you...in respect to the R. F. Welch company.
>
> We have attempted to contact the upper brackets in C.N.R. officialdom in an effort to get release from a condition which has given us great concern for years . . .
>
> In November, 1951,—

And I think this is the point that the minister may be interested in and may be able to do something about:

—the labour relations board certified our brotherhood as the bargaining agent for all maintenance of way employees including extra gang labourers. The C.N. has been evading the certification by transferring certain of these men over to R. F. Welch for payroll purposes in spite of the fact that the work performed is in all respects identical with that performed by other extra gangs under complete supervision of the C.N.R.

Other trade unions have called to my attention the fact that this particular company, which appears to be working very closely with both the Department of Citizenship and Immigration and the Department of Transport, has been running foul of and evading trade union practices for some time. I just wanted to call that matter to the minister's attention as a separate item.

**Mr. Gregg:** Will my hon. friend repeat the name of the company?

**Mr. Noseworthy:** The name is the R. F. Welch company.

I listened with a great deal of attention to everything the minister had to say with regard to the retraining of the unemployed. Like the minister himself, I am keenly interested in any kind of training or education. I believe—as I am sure does the minister—that any man or woman acquires a greater capacity for becoming a better citizen by reason of the fact that he or she acquires training or education in any field. The heartbreaking thing about the present situation is that it is our skilled workers in Canada today who are unemployed. My experience is that, while the unskilled jobs are being taken to a large extent by new Canadians, our own skilled and trained Canadian workers can find no jobs.

I just recall one particular instance as an example of many. It is that of a man about whom I have been writing to the minister, a man who was trained in a skill four years in the services; he drew skilled pay and was trained for that particular vocation. He had five or six years' employment with a specialized branch of the minister's own department. He took six months' specialized training at a well recognized technical institute at the department's expense. Yet he has been three or four months looking for a job and is unable to get any assistance from the minister's employment officers. That is the situation in which we find ourselves today.

While I am all for retraining—as much of it as we can get—I do not think that retraining alone is going to meet our problem. As long as the government considers that its only responsibility with regard to employment is to create an atmosphere that will be conducive to full employment instead of taking some practical measures to provide employment, we are going to have this problem before us.

There is a great deal of truth in what the hon. member for Cape Breton South said with regard to the capitalist system or the system now better known as the free enterprise system and which the government supports. I challenge the minister or any supporter of the free enterprise system to point out any prolonged period in human history during which that system has been able to maintain full employment during peacetime. We were saved from unemployment in the thirties by the war. We were saved from mounting unemployment again by Korea. Unless we can get some little war started somewhere to replace Korea, we are going to be faced with a situation of increasing unemployment.

I want to deal with something a little bit more specific because I know that, as indicated, it is beyond the minister's power to do anything about changing the system. The best he can hope for, in order to maintain employment, is that the international tension with regard to communism does not ease to the extent where we can lop about $1 billion off our defence budget. The day we cut $1 billion from the defence budget, on that day the minister's headaches will increase as will the unemployment. That is a part of the system.

There is another matter that is a bit of a worry to the unemployed. I know that we have the unemployed with us now and it looks as though we are going to have them with us in increasing numbers when the fall comes again. One thing that is causing a great deal of dissatisfaction among some of those unemployed is that, because of stringent rules with regard to unemployment insurance, many of them are unable to draw the full amount of unemployment insurance which they have built up over the years. Generally they have not been able to get the requisite number of days in the specific years to entitle them to withdraw from that fund all the credits that they have built up. Now, an unemployed man who cannot get a job, who cannot get any help from the government's employment offices, who knows that over the years he has built up a backlog of unemployment insurance and who finds that he cannot draw more than a part of that because he cannot fulfil certain rigid conditions, is not in a very happy frame of mind

about it. I would suggest to the minister that some steps be taken to see if it is not possible to make provision that an unemployed man for whom a job cannot be found and who has unemployment insurance built up to his credit may be able to withdraw at least the full amount of that even though he is not able to comply with the regulations requiring a definite number of days in certain years. I think it would do something to soften the disappointment and disillusionment of some of the unemployed regarding unemployment insurance.

There is one other result of mounting unemployment that I want to bring to the minister's attention. With that, I will leave the rest of my questions for the individual items. That matter is the burden which is already falling upon local municipalities with respect to the support of employable unemployed. We are back now where we were in the 1930's when those who needed municipal relief were passed from the municipality to the provincial government, from the provincial government to the federal and back again and were given the merry-go-round treatment. Today the provincial governments say that provision for these unemployed employables is a federal matter, and generally speaking they are refusing to do anything about it.

A municipality just cannot stand by and see citizens of the municipality starve or families go without food. Consequently local taxpayers are being called upon to bear that burden which certainly should be borne by one or both of the major governments. I have two resolutions here. As a matter of fact they are copies of resolutions that were sent to the minister, and I have no doubt he is familiar with them. They were sent by the municipal council of the township of York which forms the major part of the riding of York South. They both have to do with the question of unemployment relief. The first calls upon the federal and provincial governments to get together with representatives of local governments to see if this problem cannot be ironed out before the situation becomes more desperate than it is at the present time. The resolution reads as follows:

> . . . that the provincial and federal governments be requested to arrange for the immediate holding of a further federal and provincial conference at which representatives of local governments will be permitted to be present for the consideration of a broad adjustment in the tax basis between the federal and provincial governments and local municipalities and for the purpose of finding some immediate means of relieving municipal governments from demands for increased unemployment relief, which the municipal taxpayers are unable to bear . . .

The other resolution I wish to put on the record is similar and reads as follows:

> That whereas the number of employable persons who are unemployed is increasing in number in this and other municipalities, and in most cases such persons have exhausted their unemployment insurance benefits and are accordingly forced to appeal to the municipal relief department for assistance in providing food, clothing and shelter;
>
> And whereas the government of the province of Ontario has taken the position that relief for unemployed employables is the responsibility of the dominion government and not of the provincial government;
>
> And whereas the welfare departments of this and other municipalities are unable to assume the responsibility of financing the cost of relief to such unemployed employables which should be the actual responsibility of the federal and provincial governments as recommended in the interim report of the Ontario provincial-municipal relations committee;
>
> And whereas up to date no action has been taken by the federal and provincial governments to meet the present situation and the possibility of more serious unemployment conditions arising;
>
> Therefore be it resolved that the government of the Dominion of Canada be strongly urged to provide directly or through the municipalities a suitable formula to meet such situations as they arise, in order that the municipalities may be better able to cope with the problem without unduly and improperly burdening their ratepayers . . .

These are the only two matters I am going to raise on the general discussion: the question of unexhausted unemployment insurance which the unemployed are unable to draw because of the department's regulations; and the question of who is going to feed, clothe and house the unemployed employables, a matter which is becoming more serious every day to industrial municipalities. If the minister will make some comment on these matters we will appreciate it.

**Mr. Starr:** Mr. Chairman, I rise with some apprehension to speak on the estimates of the labour department inasmuch as approximately a week ago a small but determined delegation met with the Minister of Labour and officials of his department and the unemployment insurance commission. May I express to the Minister of Labour and the heads of his department on behalf of the members of the delegation their thanks for and appreciation of the wonderful reception they were given by the minister and his officials, their attentiveness, and the time they spent in listening to the problem that they presented at that time. However, they did not go away with any assurance except that the minister promised, and has followed up his promise, that close contact would be maintained with the Oshawa unemployment insurance commission so that if the unemployment situation there becomes any more serious than it is at the present time some

action will be taken by the department in order to meet the situation. This was appreciated.

Nevertheless no definite policy was expressed by the government for the purpose of alleviating unemployment. When I listened some few months ago to the six-day debate on unemployment that took place in the house it struck me that the government was rather uninterested, and at that time seasonal unemployment was given as the reason or excuse for the situation. I am amazed that the government did not take any action at that time to show that they were willing to look for some solution in order to forestall any further increase in unemployment in Canada. I do not wish, Mr. Chairman, to discuss unemployment generally as it affects all of Canada. My prime interest is in the area that I represent, and particularly the area under the jurisdiction of the unemployment insurance commission office located in Oshawa.

In April of this year there were 3,443 unemployed registered in that office, and a month later in May there were 3,961. A year ago at the same time there were 1,519, so from this it can be seen that the increase is close to 160 per cent as compared with a year ago. As of April 15 of this year some 670 unemployed were removed from the list for supplementary benefits. What has happened to those people seems to be a mystery, because they seem to have disappeared. Thank heavens, not too many of them have gone on the relief rolls of the city of Oshawa, but that is no guarantee that they might not do so before too long.

I am saying these things, and repeating what has been presented to the minister by this delegation, simply for the record because the matter is serious enough that it should be emphasized over and over again in order to impress the government with the situation as it is now. During these discussions the question arises as to who is responsible for unemployment. In certain quarters there seems to be some doubt. The responsible labour organizations of this country have stated that unemployment is the problem of the federal government, and with that I concur. However, the government seems to feel that it is a sort of combined provincial and federal responsibility, and that the provincial governments should take the initial step in bringing to the attention of the federal government the seriousness of the problem in a particular province or a particular area in that province.

Neither the municipal nor the provincial governments, Mr. Chairman, can exert control over the causes of unemployment, which are, of course, economic. Only the federal government is in a position to exert control over these economic and financial policies. Canada has always depended, and will probably continue to depend for many years to come, upon foreign trade to maintain a level of economic activity that will guarantee a high employment scale. Only the federal government is in a position to influence even slightly our position in this respect. Only the federal government can regulate national financial and tariff policies or exert any control over other factors in Canada's economic picture that have a bearing on unemployment.

I maintain, therefore, Mr. Chairman, that the responsibility for measures to offset or relieve unemployment must be laid mainly at the door of the federal administration. Unemployment, because of the complexity of the whole economic structure in the modern world, is a federal and not a local responsibility. It should be recognized as such. It is the federal, and not the provincial or municipal administrations that shape national policy, which is the main factor in determining employment or unemployment.

I should like now to take up the matter of unemployment insurance. Since its inception in 1940, unemployment insurance has been a great help to the working people in Canada. It is quite true that in the early stages of unemployment insurance, the rules and benefits had to be more or less rigid in order to build up the fund sufficiently to maintain its solvency. Since that time, although there have been some inroads into the fund, jobless insurance has stood up very well. We find that on March 31, 1954, the unemployment insurance fund stood at $881,274,000, compared with $851,585,000 for the same day in 1953. This represents a gain of nearly $30 million during that period.

There have been certain amendments made to this act since it was first introduced that have benefited many of the people affected by the act. First of all, there was an increase in the benefits from a maximum of $21 for a person with a dependent to $24. There was also an amendment which allowed a person who was in receipt of benefits from the unemployment insurance fund, and who during that period of time became ill, to continue drawing unemployment insurance benefits. Then, there was a reduction by three in the number of waiting days, and that was also a step in the right direction. Previously the waiting period had been eight days, which meant that there were nine non-compensable days at the beginning of the benefit period, since the first day in any period of unemployment is non-compensatory.

The reduction of the waiting period from eight days to five days meant that the initial non-compensable period was reduced from nine days to six.

Now, these amendments were very welcome additions to the act. The minister told the unemployment delegation which appeared before him a week ago, and myself, that the unemployment insurance commission was reviewing the benefit structure of the act. I am sure he is unable to divulge information in that respect because the review is probably still in progress at this time. May I make some observations and perhaps some recommendations which may be considered in connection with that review of the Unemployment Insurance Act. There have been various submissions made by labour organizations that have appeared before the government this year to the effect that a higher bracket of benefits should be instituted because there are people who are earning over $48 a week. These labour bodies also recommended that the present maximum should be increased from $24 to $40. I believe it could be left to the minister and those associated with him in the review of the act whether it is done in that way or whether it is done on a percentage basis.

I feel, however, that some substantial increase should be made because of the fact that in certain areas in Canada employees are earning wages that enable them to build up commitments in connection with their family life. Certainly the maximum of $24 at the present time is barely sufficient to pay for the board of a family consisting of a man, his wife, and possibly three or four children. Definitely it does not permit the head of the family to carry out the commitments of insurance or the commitments of a mortgage, as well as the few luxuries that we feel Canadians are proud to possess and should have at their disposal.

To my mind it should be increased on a percentage basis possibly to the extent of two-thirds, in a manner somewhat similar to the way in which the Ontario compensation board establishes its rates when a person meets with an accident in a plant.

Consideration should also be given to a longer minimum period of benefit for which a claimant may qualify. It is considered that the maximum period of approximately a year should be sufficient for the normal occurrence of unemployment. But there is some concern for the worker who is eligible for only the minimum period of six weeks, as he may be facing a period of unemployment of longer duration.

I feel that the waiting period should be eliminated altogether. At the present time it is six days. A person who is laid off one day should, in my opinion, become eligible immediately to draw his benefits as of the following day. As it is at the present time, a person who has been laid off must register at the unemployment insurance office, and the waiting period commences from the day of registration. Let us consider the case of a person laid off one day and who, through some misfortune, is unable to register at the unemployment insurance office on the following day. It may be that he is called out of town on a matter of urgency, and may be away for a week. Upon his return he registers, but can draw insurance only from the date of registration. Because of the misfortune that has befallen someone in his family he has not had time to register, and is forced to lose the time he was away. I repeat that in my view a person should be eligible for unemployment insurance from the day following his lay-off or termination of employment.

Regarding the supplementary benefits, the period of time is set aside from October to March. From the experience of a few years it is felt in all circles who are interested in this matter that this should be extended from October to June, inclusive. I would bring to the attention of the minister the case of a married woman covered by the Unemployment Insurance Act. As an example we will consider the married woman who is employed in one municipality and who, through necessity, must move to another. She is not eligible for the benefits of unemployment insurance until she has worked 90 days in the new location, in order to establish her qualifications. I say this penalty of 90 days should not be imposed, and that such a person should be eligible for unemployment insurance as though she had not moved from the original locality.

Let us consider the case of a single girl who is employed and eligible for unemployment insurance. She gets married and leaves her employment. Under the present act she is unable to draw unemployment insurance unless she obtains employment and works at it for 90 days. I feel that this penalty should be eliminated.

Then there is the person who is employed and is laid off, and who under the present act is eligible for unemployment insurance. But if that person is fired from his job—and there may be various circumstances under which a person is fired, through no fault of his own—under the act he is penalized for a period of six weeks before he can make application for unemployment insurance.

I shall not take up further time of the committee, because within the next few days

we are most anxious to get as much done as possible. I did feel however that it would be proper for me to rise at this time and bring these matters, which I feel are important, to the attention of the minister. I would hope that he would give some heed to these recommendations, and that at least a portion of them might be included in the amendments to come before the house at the next session for purposes of review and implementation.

**Mr. Michener:** Mr. Chairman, I doubt if the usual benign look on your face would continue at this time in the session were I to respond to the invitation extended to me by the honourable and amiable member from Cape Breton South. I am not disposed to quarrel with him when he describes as a model 1903 Ford the machine the government is attempting to operate, but I fail to recognize the brilliance of the 1954 Cadillac that was supposed to emerge from my hon. friend's criticism of the government.

However, I have risen today to remind the minister of a promise he made. And, incidentally, before I proceed further, I would be delighted to engage in offering a description of socialism at any time. And if the hon. member wants a definition now I could give him one. I must say, though, that it does not entirely suit him.

**Mr. Gillis:** Perhaps I could give four others to offset it.

**Mr. Michener:** I dare say. I find some difficulty in associating socialism with the hon. member, on many occasions.

On May 20, as reported at page 4901 of *Hansard*, I asked the minister the following question, which is directly related to that discussed today by hon. members:

> Does the government consider it to be the responsibility of the municipalities or the provincial governments to provide maintenance for a large number of those unemployed who are able and willing to work at this time but who cannot find employment and whose unemployment insurance benefits have run out?

Very properly the minister indicated that he would treat the question as a notice.

On the following day, when the question was repeated by the hon. member for Hamilton West, the minister said this, as reported at page 4950 of *Hansard*:

> Mr. Speaker, I think the question asked yesterday by the hon. member for St. Paul's is a matter which affects government policy and which could not be dealt with during the short question and answer period in the house. As I mentioned yesterday in response to another question, I shall be glad to discuss the matter when my estimates come before the house during the next few days.

"The next few days" have arrived. The minister is asking the committee to vote supply for his department, and I suggest it is up to him to indicate government policy and his department's views with respect to this very important and urgent question.

**Mr. White (Middlesex East):** Mr. Chairman, there are two or three items I wish to bring to the attention of the minister before this vote carries. On two different occasions when dealing with labour problems I have drawn to the minister's attention what I consider one of the primary problems not only of labour and management but of Canadians generally.

I think that Canadians are a bit worried about the recurrence of industrial strife. Probably this is a case of fools rushing in where angels fear to tread, but it does seem to me that some method must eventually be found to overcome this difficulty. In all other human relations courts are set up to deal with disputes between man and man. It would seem to me that if the proper, wise justices were selected some of this industrial strife would be done away with.

On other occasions I have suggested to the minister that an increasing number of firms throughout Canada and the United States have adopted the profit-sharing plan. I am not going to go into that again. The very fact that more and more firms are turning to that type of arrangement, under which labour in the factory is a partner in the firm, as it were, indicates its popularity. If the company has a successful year, labour also has a successful year. I am just going to take this opportunity to highlight, as it were, one of the most successful plans, namely, that of the Dofasco Company. I am going to read just a little from their report:

> For the benefit of non-fund members, the plan is an agreement between the company, the fund members and the trustees under which each member saves 5 per cent of his salary or wage each year up to $5,000 (a total maximum saving of $150 per year) and the company on its part agrees to pay in not less than 10 per cent of its net earnings and not more than four times the fund members' saving. In practice, the share of profits has always exceeded the minimum and for the last two years has come close to the maximum. The plan is open to all full-time Dofasco employees who have been with the company continuously for three or more years and so far no one eligible has refused to join.
>
> The fund has grown from a modest beginning in May of 1938, with about 750 members, to its present size with about 2,500 members and assets of $13 million.

That in itself points out some of the benefits, how production can be increased and how the cost of the product can be decreased to the consumer and at the same time the labourer in that particular industry benefit from his services.

I should now like to quote from a recent issue of the Canadian Chamber of Commerce magazine:

In the recent submission to the ministers of finance and national revenue by the executive council of the Canadian Chamber of Commerce prior to the last budget, the executive pointed out that "the present basis of taxing deferred profit sharing plans . . . subjects the employee to tax on the contributions made to the plan by the employer, and also on the earnings of the plan at the time such contributions are made or such earnings accrued, although the employee does not receive such moneys until some later date and in some instances may never receive them. The submission suggested that the beneficiaries, under a deferred profit sharing plan, be taxed when they receive the actual benefits.

That submission is a good one, and one that the minister might recommend to his colleagues as an important incentive to other firms in Canada to consider introducing this type of profit-sharing plan.

Other speakers have said something about the unemployment situation. The latest figures indicate that there are almost twice as many unemployed now as there were a year ago at this time. During the early part of this session considerable emphasis was laid on the fact that it was seasonal. I do not think you can answer the criticisms now by saying that it is seasonal. Other factors are involved. In my estimation one of the biggest factors is that inflation has helped to price Canadian products out of many world markets. There is also the fact that a large number of Canadian people are in receipt of less money. They have less money to spend, especially those who are on short time, and more especially farmers whose incomes have been greatly reduced, regardless of what the Minister of Agriculture may wish to say to the contrary.

Let me go back to the budget. It did not do anything to relieve the situation so far as labour is concerned. There was no reduction in taxation to relieve the low income groups to any great extent, and consequently their purchasing power, as I mentioned before, has not been augmented so far as the budget was concerned.

I should like to mention another matter. I realize it is not a federal matter in a sense. It has to do with the workmen's compensation acts, not only of the province of Ontario but of other provinces. My suggestion is that a three-man medical board should rule on questions of dispute as to whether a man is eligible for assistance under the workmen's compensation act or not. In some cases arbitrary rulings are made. An independent medical board might find differently and would give the labourer the benefit of the doubt, as it were, to improve relations between labour on the one hand and the administration of the workmen's compensation on the other. If this independent board brought in a report it would be respected and it would improve relations. That is all I have to say.

**Mr. Nesbitt:** I should like to make a few brief remarks on this first item. First of all, I should like to say I sympathize in every respect with the minister, because he has had a particularly difficult time this year owing to the world economic situation generally. It would be a particularly difficult situation for anyone in the minister's position.

There seems little doubt that unemployment has been on the increase this year over last year. I do not mean to reiterate what has already been said. A certain amount of it has been seasonal, but the facts would indicate that unemployment at this period of the year, as compared with the same period last year, is considerably greater. In this regard I refer to an item on the front page of the London *Free Press* of Wednesday, June 23, of this year. I quote as follows:

Informants said that at May 27 about 336,000 persons were registered for work with national employment service. This was down from 549,000 at April 15, the last figure made public in the government's monthly labour surveys.

However, it was still more than 60 per cent higher than the 202,000 in late May of 1953. At that time, though, Canada's labour force was smaller.

In this regard I would also like to quote very briefly from a press notice which appeared in the *Sentinel Review* of Woodstock, Ontario, which indicates certain figures relative to that part of Canada. It states:

In Ingersoll, however, the situation is not as encouraging since April figures showed 210 unemployed compared with 193 at the end of May.

In other words, the number decreased slightly over the period of a month.

Benefit payments were increased from $16,000 in May, 1953, to $32,000 in May 1954.

Generally speaking, and according to what we have heard and what has been indicated in press notices, it appears that unemployment is considerably greater at this time than it was at the same time last year.

I would like to make some remarks with respect to the textile industry. It is an industry which is of considerable importance to the people of my riding as there are a great many textile workers there. The textile industry as we have heard many times in this house this session is sometimes called a depressed industry. It has suffered severely during the last few years and there have been substantial lay-offs which apparently still continue. I would like to read a paragraph from a letter I received from one of the

prominent union leaders in the textile industry in the city of Woodstock, Mr. E. B. Tilford, who states:

> Harvey Knit laid off 32 people on Friday the 4th of June and 12 more on Friday the 11th so they are not so good.

He then makes further reference to other matters which are not relevant to this discussion, but his letter indicates that the textile industry is still having its difficulties. Undoubtedly the whole answer in this regard lies in the policy the government will adopt with reference to this particular industry. We all know that during the war years we had to have a textile industry for war purposes and after the war the industry was encouraged to continue production because of the great shortage of consumer material. Consequently, the textile industry continued to do fairly well immediately after the war but eventually the heavy demand for clothing, fabrics and draperies and other products of the industry fell off and many of these textile units, sometimes referred to as marginal units, found it difficult to survive in our economy.

I fully realize that raising the tariffs in this matter is not an answer because it only raises the cost, but if we are going to have any kind of textile industry at all, which can successfully compete with similar industries in countries such as Japan and India where they have very low wage rates, we are going to have to keep some sort of tariff barriers to protect the workers in this industry. It must inevitably depend on what policy the government is going to adopt and how much of the textile industry they determine we are going to keep in operation.

I think all hon. members will agree that a certain proportion of the textile industry must be retained for national defence and other purposes which are uneconomic in themselves, and indeed it may very well be that at the present time some portions of the textile industry are marginal or uneconomic, though I do not think that as yet we have the proper figures in this regard. However, the government must decide to what extent various portions of the primary and secondary textile industry can be let go, so to speak, and since this matter concerns trade and commerce as well as labour I think that before any decision is reached by the government in this regard the matter should be thoroughly examined.

There are two suggestions I would like to make to the minister. The first is with respect to unemployment generally. It seems to me that during this last winter we had a particularly unpleasant picture in Canada with a large number of persons becoming unemployed, and indeed in much larger number than we have had for many years. This, of course, was referred to as seasonal unemployment and undoubtedly it was to a large extent. However when large groups of people become unemployed it is fairly axiomatic that their purchasing power goes down and we then begin to start that long downward spiral of deflation which has the accumulative effect, like a snowball, and generally wrecks the economy.

I have heard this suggestion by a number of persons and I certainly hope the minister will look into it if he has not already done so. The suggestion is as follows: When unemployment in the country reaches a certain figure, which would have to be decided upon, and let us say for the purposes of example, 300,000 or 250,000, the amount of benefit paid for unemployment insurance be increased. The figure involved of course would have to be decided after careful study. However, this plan would have a much quicker effect in stopping this downward spiral than would the suggestion of instituting a program of public works. That plan would more quickly scotch and stop the downward spiral of so-called added deflation.

Since the geographic and climatic conditions of Canada make it almost inevitable that Canada suffer permanently from this problem of seasonal unemployment, my suggestion would be that, in order to stabilize the economy and eliminate so to speak the crest and trough of unemployment between the seasons, everyone in Canada contribute to a certain extent in overcoming this situation. Because of the climatic and seasonal conditions under which we live I do not think it is unreasonable to suggest that these fluctuations in unemployment be moderated a little possibly by some form of extra taxation. I think we will all generally agree that the economy of our country would be much better if we did not have these seasonal dips in the unemployment situation, and if the purchasing power of those temporarily out of work on a seasonal basis could be kept up so that the economic effects all the way down the line would be considerably lessened.

With respect to the textile industry generally there is a brief suggestion I would like to make. If a large industry employing large numbers of persons such as the textile industry is to be dislocated as a matter of national policy on a permanent basis then it hardly seems fair that all those persons employed in that industry be thrown out of work at once. In other words, if the government takes the view that in our trading relations with other countries such as Japan we will have to buy something from them in return

for their buying our agricultural products—and that is the line of reasoning I have often heard expressed—and that in the national interest they should dislocate an industry such as the textile industry, which was encouraged and built up during the war in some cases on an artificial basis, then large numbers will be thrown out of work.

I think that will be unfair for two reasons. First of all it is very unfair to those people from a personal point of view so far as their families are concerned and because it will cause great hardship. From a broader economic point of view, it naturally tends to dislocate the economy of the country if a large number of people are thrown out of work all at once. I think there will be little argument about that statement.

If it is found necessary not to protect the textile industry or any other industry that might get into a similar situation by additional tariffs or something of that nature, and if it seems necessary to allow a portion or even a large part of this industry to go by the boards, so to speak, and to go out of business, then in the interests of the persons employed in the industry, I think something should be done for them. If an industry is allowed to go by the board, to coin a phrase, in the national interest I think everyone in the country should share a proportion of that burden and that it should not fall just on those who are employed in that particular industry.

It might mean some sort of small tax levy, but until these people who are out of a job because of national economic policy can find other employment I think that under these circumstances the benefits to these people should be raised. The situation is no fault of their own. It is a matter of national policy in a particular industry. I know that the minister will probably say, "In a broad sense, that might apply to any industry", and that the national policy might occasionally hit one industry from time to time. That is true. I would not make that suggestion in a general way. But when you get one industry that has been built up to a large size and is a large employer of persons, and when as a permanent policy some portion of that industry is going to be put out of commission, so to speak, in my opinion those persons who are out of a job because of this policy should be given, until they can be re-absorbed, a higher rate of unemployment benefit. I agree that—

**The Deputy Chairman:** Order. I think now possibly the hon. member can make himself heard.

**Mr. Nesbitt:** Thank you, Mr. Chairman. I should like also to suggest in this regard something to which I know the minister is himself sympathetic. When an industry is dislocated, as the textile industry is, quite possibly a scheme such as that which I have heard has been started in Marysville—which I believe is in the minister's constituency; it is a scheme of retraining people who have been in this industry—might be implemented. I think that is an excellent suggestion. But while these people are being retrained, I think they should draw these somewhat increased benefits I have suggested because it is a question of reallocating these particular persons from one job to another.

Also, as my colleague the hon. member for Hamilton West pointed out earlier today, this question of moving large groups of the population from one part of the country causes great expense and hardship. The textile industry, or the parts of it that are apparently marginal and are going out of business, are often located in communities in which there is only one industry. I suppose that is the situation in the towns in the Ottawa valley, one in the minister's constituency and many others. The textile industry often seems to be located in small villages and towns. If the people of these places are going to be permanently out of work, and even if they are paid some unemployment benefits or something along that line at a rate higher than that at which they are now paid, and even if they are retrained, the job of moving those people from one centre of population to another where they can get future employment is going to be an expensive one.

If people are forced to move because of this national policy, I feel that possibly some percentage of their expenses ought to be contributed to by the government which, of course, is the people of Canada. As I said before, if things of this nature are done for the benefit in the long run of the people of Canada, everybody should contribute his small share and we should not just make a certain percentage of the population suffer.

I know the minister will likely say that it is not the intention of the government to try to create ghost towns out of some of these textile towns that may have to go and that they hope that the people can be retrained and find new jobs in those communities. Nevertheless, there will be a large number of persons who, as a result of the present textile situation, will have to move in the long run; and, as I have said, I feel that those persons should have a part of their moving expenses contributed to.

**Mr. Gregg:** First of all, Mr. Chairman, I should like to acknowledge the tolerant and helpful tone in which the speakers this afternoon have presented their views on the general item of my estimates. With very few exceptions, all of those who have spoken so far have mentioned one item. If the hon. member for Hamilton West will not consider me discourteous, I should like to deal with that item first. I may say that she also mentioned it. I refer to the responsibility, as it has been called, for the welfare of the unemployed employables. Much has been said about that matter.

However, I think there are several things that should be said again. One of them is this. The so-called offer or the agreement, as it has been called in some cases, of 1945 was never in reality crystallized into an agreement. I think all hon. members will agree with that statement. That being so, there have been many things that have happened since. One of those things has been the setting up of the federal-provincial tax arrangements. Those arrangements have been made in the light of the fact that there was no agreement on the offers and counter-offers that were put forward and were left in the air in 1945. I think that situation should be made clear because I am quite certain—as some hon. members have indicated this afternoon—that those representing some municipalities in this country have felt quite sincerely that there was a crystallization of responsibility at that time when, in reality, there was not.

That being true, a great many other things have happened since that time. It was on the basis that no responsibility had been assumed there by the federal government definitely for the unemployed employables—except for unemployment insurance which I will go into in a moment—that the federal taxpayers, through the federal government, assumed some responsibility for the costs of what we used to call the unemployed unemployables, namely, older people over 70. As a second step this year the unemployed unemployables came partly within the scope of the federal field through the bill brought in by my colleague the Minister of National Health and Welfare.

There is one other statement that should also be made. I think it will be agreed by all hon. members here that the federal government should not go out to the municipalities and make individual arrangements with those municipalities on these matters without the knowledge, or without the request or the concurrence of the province in which those municipalities exist. I think every one of our provinces has a minister of municipal affairs. Certainly this province has one, and my own province has one. I believe the minister of municipal affairs for this province represents a constituency not so far from here. As has been mentioned this afternoon, during the past winter when representatives of municipal governments and trade unions came here and interviewed members of the cabinet, the Minister of Labour and his officials and presented their briefs, it was found that practically all of them came from the province of Ontario. I can state this afternoon that as far as I know no representations were made during this past winter or spring by the province of Ontario to the federal government on behalf of those municipalities that have presented their case.

In his remarks the hon. member for St. Paul's kindly reminded me of a promise which I had made. Following what I have just said, I should like to tell him that I did not forget the promise. I will not say that the notes I made afterwards would answer his question fully, but nevertheless I should like to refer to it, and in so doing perhaps I might be considered as having referred to all the questions that have been put forward this afternoon on the subject of the responsibility of municipal, provincial and federal governments in respect of unemployment assistance.

My colleagues, the Minister of Trade and Commerce, the Minister of Finance and others, have said on earlier occasions in this session and others that since the passage of the Unemployment Insurance Act in 1940 the federal government has accepted the responsibility for developing and administering that act for the protection of the welfare of the fit workers of Canada. As part of that responsibility the coverage of the act has been gradually extended from time to time. The effort to extend the coverage is continuing, and at the present time an attempt is being made to bring in other groups. It was also said this afternoon that the financial cost involved when workers of Canada are unemployed should devolve upon the federal treasury. I contend that that is true at the present time because in addition to contributing $32 million during the calendar year 1953, or one-sixth of the total paid into the unemployment insurance fund, the federal government has assumed full responsibility for the administration of the unemployment insurance program and the national employment service at a cost of $25 million a year.

In other words, during the last fiscal year federal taxpayers paid a total of $57 million for the purpose of protecting the fit workers of Canada against hardship when they are unemployed. So far as I know, during recent

years the contribution of most of the provincial governments and municipalities toward assistance of the unemployed employables has been relatively light. In some cases provincial governments have decided to turn over this responsibility to the municipalities, and in those instances no provincial expenditures have been incurred during recent years.

In addition to unemployment insurance, the federal government has increased substantially assistance extended through other social security and related measures in the last ten years. I am not going to deal with them in detail this afternoon because members of the committee know what has been done through the federal treasury. When I spoke at the beginning of the unemployment debate in February I indicated then that no representations had been made by provincial governments that they were unable to cope with the situation in their provinces, and the same holds true today. We have received no such request, and I should like to repeat that we regard unemployment as a matter of concern to all levels of government. It is not the exclusive worry of any one level, and we feel it can only be dealt with satisfactorily by co-operative action by all concerned.

Several other matters were referred to by other members. One of them concerned the retraining of unemployed persons under an agreement known by the department as schedule M for the training of unemployed persons. The hon. member for Hamilton West rather implied that the only place the Minister of Labour had put that into effect was in his own province. I can tell her that it was put into effect quickly in my own province to help to relieve the difficulty in the textile industry because the provincial government was on the mark and was ready with a plan to propose to the Minister of Labour who was happy to put it into effect under schedule M, for which he already had received authority.

There again I can say to her, without wanting to be insistent, without wanting to be impertinent, that because of the large number of representations we have had from the province of Ontario this year we have suggested to the government of Ontario that we would be willing to co-operate under schedule M within the province, but up to this time they have not entered into an agreement.

**Mrs. Fairclough:** Is it not so that there is an entirely different arrangement in the province of Ontario entered into by the Ontario industrial and educational council and the Canadian Manufacturers Association, and that a new ten-year agreement was drawn up this year?

**Mr. Gregg:** Between the provincial government and the federal government?

**Mrs. Fairclough:** Yes.

**Mr. Gregg:** No, there has been no agreement drawn up under schedule M.

**Mrs. Fairclough:** No, but this does away with the necessity for operating under schedule M, does it not? It is a complicated agreement, and I understand it expired this year and that a new ten-year agreement was drawn up.

**Mr. Gregg:** We have had no application from the government of Ontario for matching dollars for the training of fit unemployed workers. As I indicated in my opening remarks, the estimates envisage extending that field if the provinces are prepared to do so and if it is felt that assistance can be given in the provision of greater skills for the individual, thus assisting in helping to solve unemployment to that extent in the particular vicinity as well as adding to the sum total of skilled personnel in Canada.

I agree with everything the hon. member for Hamilton West said regarding apprenticeship training. The total number registered as of March 31 this year was 12,900, but that is not nearly enough. It is a field of training which is of the utmost importance, but I am sure that the hon. member will agree that it is again a field where the federal government cannot impose its will. We have a very capable, active and aggressive voluntary committee working on the matter, and I believe management and organized labour are coming to realize more and more the importance of apprenticeship training.

With all that has been said this afternoon regarding older workers, I agree. I should like to reassure the committee that not only in the Department of Labour but elsewhere we are doing everything we can to encourage the employment of older workers. The government itself through the civil service commission has set an example this year, I believe, in the retention of older workers for a longer period than formerly, and through the civil service commission has perhaps cast a slightly more friendly eye on applicants who are no longer young.

The hon. member for Macleod referred to the suggestion that is made that older workers are unable to learn new techniques. I can assure him that is a prejudice that has been proved to be wrong. As to absenteeism, the attendance to their work of older workers has proved to be much higher than that of younger workers. The charge has also been made that the use of older workers means a lessening of production, but that is not true.

In connection with this matter some of the members of the committee may have noted that the Canadian Manufacturers Association has conducted a very broad based survey during the last few months, the results of which were incorporated in a recent issue of their magazine. The subject of older workers and the matter of seasonal unemployment were brought forward at their convention, and are the top items on their agenda not only for study but for carrying on experiments within certain parts of Canada.

My hon. friend referred to the Government Employees Compensation Act. This act, as she said, is a co-ordinating act and the benefits arising out of it to federal employees come under the province in which the federal employee happens to be. The amendments to it were pretty well administrative and routine. There was some difference of opinion as to whether the amount accruing to a federal employee who, for instance, was injured in British Columbia when his place of employment was in Ottawa should receive payment through Ontario or British Columbia. I can tell her it is my intention to bring this forward as soon as these kinks are ironed out. I made a reference to the women's bureau in my opening remarks.

The hon. member for Cape Breton South said there were going to be tough years ahead. I hope they are not going to be as tough as he indicated. He also stated that the hon. member for Hamilton West and I were on the same team. For my part, I am quite satisfied with that.

**Mrs. Fairclough:** The minister noticed that I disclaimed that.

**Mr. Gregg:** I noticed my hon. friend did not brag about it.

The hon. member for Cape Breton South brought up two points, one of which was specifically related to Cape Breton and concerned a very important group of men. I am going to tell him here and now, without taking up the time of the committee, that following the end of this session, which I hope will be very soon, we will investigate that matter once more.

**Mr. Gillis:** I might say the section of the act to which I referred could apply in that way in any part of Canada in which similar circumstances arose.

**Mr. Gregg:** As the hon. member knows, under the act we have not only the commission but umpires and other bodies, so we will have the appropriate people take a new look at the situation before the new holiday period rolls around. The same remarks apply to his second point with regard to the Moncton office recruiting workers for the north. I believe the same remarks apply to the third point as well.

In so far as the hon. member's last point is concerned, I could not agree with him more. Perhaps I should not say so, but I feel that since the greater portion of Nova Scotia is now to be tied together at last by the Canso causeway I would hope before too long there might be a vocational school located there.

The hon. member for Macleod asked what the government was doing in connection with the older worker. If I may I am going to send him along a copy, not of a speech I made but of a report that was made to me on that subject. I am sure it will answer the questions he had in mind. We are really doing something worth while in that connection. The value that is being brought about lies in the fact that employers and trade unions are more and more recognizing the facts that the hon. member for Macleod brought forth, that is the problems arising out of the longer life expectancy today and people who have nothing to do getting fed up with life. Therein lies the hope for providing more useful employment for the older people and thus adding to the productivity of the country.

The hon. member for York South referred to the matter concerning the R. F. Welch company. I will look into that. I should like to refute completely the remark which my hon. friend made when he said that unless we get a little war we are going to have terrible times. I do not think my hon. friend really believed that. In spite of the sympathy that was passed on to the Minister of Labour this afternoon, I would rather see success at Geneva and a peaceful world established by some means or other than have whatever value there may be from the superficial employment that comes from expenditure of money to be blasted away in the air.

The hon. member for Ontario, as well as others, proposed some amendments to the act. It was suggested that there could be a rearrangement of the benefits that might be of value during another serious period. I can tell the committee that even though the session is nearly over and even though we are approaching summer, my department is taking a very serious and continuous look at this act in the light of experience gained during the past winter. I believe that we will all agree that this last winter is the first time anything approaching a severe test of the effectiveness of the Unemployment Insurance Act has occurred.

I shall admit at once that the total number of unemployed has been large. I can admit, too, that the government has been greatly concerned and I can assure the committee that steps are being taken to guard against hardships in the future, just as I hope the administration of the Unemployment Insurance Act has softened the really heavy sting of hardship during the seasonal unemployment of this past winter.

**Mr. Noseworthy:** Before the committee takes recess, may I say that I would not want the minister to get the impression that I advocated another little war, nor would I want him to give the impression on the record that I did so. My statement was that wars have saved us from unemployment in the past and that unquestionably a little war would save us from unemployment now as long as the capitalist system remains in vogue.

**Mr. Gregg:** I admit at once that I knew my hon. friend was not advocating war. I believe he knew that I did not understand him as saying that. I should like to say again, with regard to the suggestion made by the hon. member for Middlesex East, that that is a really constructive suggestion. He has made it before. This afternoon he said that everything possible should be done to encourage the profit sharing plan in industry as a method of working towards industrial peace. However, the federal government cannot impose such a plan.

**Mr. Drew:** There is one subject with which I wish to deal in connection with this item, Mr. Chairman. It will take me less than five minutes. If there is not going to be further discussion, then perhaps we could deal with this item if that is satisfactory to the committee.

**Some hon. Members:** Agreed.

**Mr. Drew:** I wish to deal with the statement made by the minister growing out of the remarks in regard to responsibility for unemployment in the municipalities. The minister in seeking to correct impressions that have been conveyed made statements that are directly contrary to the record.

He was referring to a statement that had been made about the problems of the municipalities. He in some measure brushed aside the seriousness of that situation. But I would point out that as recently as June 9 representatives of 900 municipalities meeting in Windsor were agreed that unemployment now is serious, and that the question of unemployment relief for the municipalities is critical in many cases. They urged that the government recognize this fact and that it do something about it.

The minister explained that the difficulty arose out of certain discussions in 1945. Without attempting to quote his exact words he said there were certain proposals put forward and that the proposals put forward and the conditions submitted were not agreed to, and that therefore the discussions ended. They did not end in 1945. Those discussions began on August 6, 1945, and they continued on different occasions until the adjournment on May 6, 1946. There was no refusal at any time, as the record shows, of the proposals put forward by the federal government nor was there on the other hand a refusal of the proposals put forward alternatively by the provincial governments.

If the record is examined—and there is a *Hansard* record—it will be seen that it was expected that the meeting was only adjourning and that a meeting would be called again at the instance of the federal government. The agreements that later emerged were not agreements resulting from negotiations arising from this discussion. They resulted from a statement by the minister of finance at that time, Mr. Ilsley, that the money arrangements would be made by the federal government. It was not a question of negotiation; it was a statement that this would be done. And certain provinces entered into an agreement on that basis.

The minister has said that there are substantial payments going back to the municipalities. That is true. But, Mr. Chairman, I mention this to put on record the fact that there is only one reason this conference did not continue and that was the failure of the dominion government to reconvene the conference which adjourned on May 6, 1946. It is difficult to imagine how much greater concentration of taxation is needed before the federal government will deal with the problem.

It now is getting the major proportion of all taxes in Canada. How much farther does it have to go before it can deal with this matter of employable unemployed or unemployable unemployed which today gives so much concern to the municipalities, as is indicated by the resolution passed at Windsor early this month?

I leave that subject now. Referring back to certain statements I have made before, if the minister thinks—and I hope he does—that it would be advisable to have some discussions as to the way in which this could be dealt with, and so as to meet the argu-

ments I have put forward in asking for a conference between the federal and provincial governments, and to meet the conditions that the mayors and reeves from 900 municipalities in Ontario have placed on record, then I say the way to do it, the way to lay the foundation for the solution of this problem is to have a conference right away between the federal and provincial governments, not merely to discuss constitutional problems but to discuss this extremely important problem which today is particularly unfair in its application to municipalities right across Canada.

Item agreed to.

*178.* To provide for expenses of the economics and research branch, $528,366.

**Mr. Knowles:** Mr. Chairman, I should like to ask a question with respect to item 178, which has to do with the economics and research branch. As a matter of fact, a great many very useful statistics are available from this branch, but there is one set of figures that I believe is not available. I understand figures are kept showing the number of man-hours lost per year due to industrial disputes of one kind or another. But so far as I can ascertain, there are no figures showing the number of man-hours lost due to sickness or accident. I wonder if it is possible to have statistics kept on that point.

**Mr. Gregg:** I agree with my hon. friend that they have not been available. But may I take that as a suggestion for consideration during the summer recess.

**Mrs. Fairclough:** Are we not going to adjourn? It is ten minutes after six.

**The Chairman:** Is it the wish of the committee that we carry through the dinner hour, or that I call it six o'clock?

**Mr. Harris:** I think hon. members opposite would like to have a short time to get ready for some further questioning of the minister. However I do not think there are any further questions on this item. Perhaps we could carry it, and then adjourn.

**Mrs. Fairclough:** Perhaps we could adjourn until 7.15.

**Mr. Harris:** I do not think that is necessary. We could adjourn until seven o'clock.

Item agreed to.

At six o'clock the committee took recess.

[Mr. Drew.]

## AFTER RECESS

The committee resumed at seven o'clock.

*180.* Fair wages, conciliation, industrial relations, industrial disputes investigations including the administration of legislation relating thereto, and for activities *re* promotion of co-operation in industry between labour and management, $468,714.

**Mr. Knowles:** Item 180 has to do, amongst other things, with the conciliation of industrial disputes. Has the Minister of Labour any comments he would care to make regarding the dispute between the railway companies and the non-operating employees?

**Mr. Gregg:** Mr. Chairman, the representatives of management and of the unions met last Thursday, and then adjourned and met again on Tuesday afternoon. Before the meeting adjourned on Tuesday afternoon I understand that they made an arrangement that they would not at that time make any public pronouncements as to the negotiations up to that point. They having done that, consequently I cannot make any comment regarding it. All that I can say is that the ending of the meeting on Tuesday afternoon was left open to reassemble on the invitation of either of the two parties.

**Mr. Knowles:** I appreciate the position the minister takes in view of the meetings of last Thursday and this Tuesday between the two sides to the dispute. However, there are a few words that I should like to say. The first thing I want to say—perhaps it is unnecessary for me to say it in view of the situation but I shall say it anyway—is that I trust that the Minister of Labour will put his best brains and everything he has got into the effort to avoid this dispute resulting in a strike. I am sure it is the desire of everyone, including the employees, that there not be a strike.

**Mr. Gregg:** And the employers.

**Mr. Knowles:** The only reason I neglected to say that was that could be taken for granted. But it so happens that the employees are voting on the question as to whether or not to back up their demands by going to the length of a strike, and it is possible that they may cast an affirmative vote on that matter. That was my reason for referring to the employees, for even though they may vote for a strike they would rather not see one.

There can be no doubt that it would be disturbing to the economy of the country as a whole and disturbing to the people of Canada if there were another railway tie-up such as we had in 1950. I must say, however, that what disturbs me most about this

situation is that I do not feel there is sufficient understanding of the position of the men. I refer to the non-operating employees who have presented certain demands to their employers. "Demands" happens to be the word that is used, but in my view it is of the nature of things that, with technological progress and other improvements in industry and in our economy, the workers have a right to share in that progress and in those improvements. I cannot see the logic of those who would contend that there arrives a time when workers such as our railway employees should be satisfied with what they are getting and should ask for nothing more.

**Mr. Harris:** Nobody in this house has said that.

**Mr. Knowles:** No, no one in this house has said that, but there are people in the country—

**Mr. Harris:** Would it not be better if you left that?

**Mr. Knowles:** —who express that view. I should be very glad if the Minister of Citizenship and Immigration would give us the benefit of his comments on this important matter. I say I feel that the workers in this instance have been most responsible in what they have requested. As everyone knows, they have not asked for any increase in their hourly rates of pay. They have asked for a series of what are known as fringe benefits. They have asked for an increase in the number of annual holidays with pay to be granted to the workers; they have asked for a certain number of statutory holidays throughout the year; they have asked for certain sick benefits and also for certain overtime rates of pay for Sunday work.

As hon. members will recognize, in all cases these are what are known as fringe benefits. We do not know what went on at the meetings in Montreal last Thursday or the earlier part of this week, but it is a matter of public record what happened as a result of the deliberations of the board over which Mr. Justice Kellock presided a while ago.

As hon. members are aware, in addition to Mr. Justice Kellock, there were two other members of the board, one representing the railway companies and the other representing the railway employees. Nevertheless that board did not produce what might be called a proper report. It was not possible apparently for any two of them to get together on a set of conclusions. What happened was that three reports were made. That is not without significance. To me this is the disturbing feature of this whole situation, that the member of that board representing the railway companies and apparently speaking for them refused to give a single inch. His report was an uncompromising recommendation that nothing that the men were requesting be granted. On the other hand, the representative of the employees did make a report which represented a scaling down to some extent of the requests or the demands of the employees.

One does not know just what relationship exists in a situation like that, although I have been a member of such boards myself and I know a little about it. But one can assume that when the representatives of the employees suggested a settlement on the basis of a slight scaling down of those demands that that indicates a willingness on the part of the employees to enter into something of a compromise. That seems to be the situation as it stands at the moment. The companies are not prepared to move an inch, but the men are prepared to compromise.

It is because of that situation that there is a great deal of feeling about this issue amongst the employees affected, and I share their feeling. I have been in pretty close contact with these employees across the years and indeed there are a great many of them in my own constituency. I was home for a couple of days a week or so ago and I made contact with some of them while I was there, and I can say that the feeling about this situation is very high. The reason it is high is because of that uncompromising stand taken by the employers even in the face of the willingness of the employees to enter into some sort of compromise. One reason I say this in this House of Commons is because I hope that it may contribute to what I feel is necessary, namely, an understanding by the public of the position of the men. They do not want to suffer the loss of time and pay which will result from a strike, but they also feel, because of a situation such as that which now faces them, that they have no alternative but to back up their just and reasonable demands by the use of the only weapon that is in their hands.

When I say I hope the minister will give this matter his best attention I imagine it is already on the top of his priority list and that I do not need to say that to him. Indeed, with all the other matters that have been thrown into his lap this afternoon I do not see how he is going to have much of a holiday this summer. But I hope, if necessary, he will call in any of his colleagues who may be able to help him so that they may join with him in trying to solve this problem by

giving whatever publicity is necessary to the issues in the case, I urge him to do his level best to see to it that a strike is avoided if it possibly can be, but also to see to it that justice is done to these men.

Now, Mr. Chairman, there are those who will say, "Well, why should they not withdraw their demands; why should the company be asked to move in view of the financial position which they say is theirs at the present time?" Well, it is the same old story, Mr. Chairman, as I indicated a moment ago. The fact of the matter is that as time goes on we do make progress with regard to technological improvements, and the amount of wealth that can be produced with a certain amount of labour power keeps growing. The tendency is for labour always to have to put up a struggle to get its just share of that increased production of wealth in which our workers participate to such a great extent. I know there are arguments that will be put forth on the other side, but I must say that I feel very strongly for the position of the men. I think they are making very just and reasonable demands and I hope that a solution will be found that will make it unnecessary for them to go out on strike, but which at the same time will do justice to the men and will give them a larger share of the wealth they are producing, which they are asking for not in any increase in hourly rates of pay but in these other social benefits which in my view they thoroughly deserve.

**Mrs. Fairclough:** Mr. Chairman, I have listened with great interest to what the hon. member for Winnipeg North Centre had to say and with some of his remarks I concur. However, I must say, having taken part myself in labour negotiations, that I realize full well there is a time when it becomes a matter of saving face on both sides of the fence. The negotiator who can produce a formula by which the two factions can come together and from which each of them can be content with the report which they take back to their individual factions is going to be the person who saves the day.

But it looks very much as though we are headed for an impasse in this particular matter. I do not think so myself, I think we are probably remote from the time when we will reach that stage. But nevertheless I think that all of us should realize the weaknesses of human nature. After all, all of those people on both sides, whether on the side of management or labour, are human and they want to save face. They hate to give in to the other side and yet they realize over their better judgment that certain elements emerge that are probably unforeseen.

[Mr. Knowles.]

I know, Mr. Chairman, that this is a slim house tonight. I know that we should be considering very seriously the implications of a problem which, if it is allowed to develop, might blow up in our faces and affect all of our people in the entire Dominion of Canada. I think those of us who are here should very seriously consider what our responsibility is in that regard, and so accordingly I urge the Minister of Labour to use his influence to see to it that a conciliatory attitude is adopted by both factions in this dispute.

I have a great deal of sympathy for those people who realize the time is not ripe for a demand for an increase in wages. They know that their only hope is to get some concession in the way of fringe benefits. An absolutely adamant stand on the side of the employer is going to achieve nothing. It is only going to stiffen the backs of those who have been instructed by their union membership to make demands which have come up perhaps through the ranks, or possibly have been suggested to the rank and file of employees as reasonable demands to be made upon the employing agency.

Whatever the situation may be it boils down to a matter of conciliation, a word which has become common in our everyday life. I urge the minister to use his best offices to stop this before it goes so far that neither side can give in and still save face. I would urge him to stop it now by means of conciliation before we are forced into a position where even members of this house will have to take a stand, as they did once before, for or against an arbitrary decision. I ask the minister to do that. I think that is what every member of the committee has in mind.

**Mr. Gregg:** I give to the committee and to the hon. members who have spoken my complete promise that nothing will be left undone by my department or by the government to accomplish a mutually equitable solution to the problem.

Item agreed to.

*182.* Administration of the Canada Fair Employment Practices Act, $9,200.

**Mr. Michener:** There is one minor point I wish to raise under this item. There are votes for travelling expenses and postage but not for any personnel. The administration seems to be operating in a vacuum. I suppose the personnel who administer the act are in on the general staff of the department. Is that the answer?

**Mr. Gregg:** Yes. The industrial relations personnel administer the act. This item is just for the special things arising out of the expenses of the board.

**Mr. Michener:** May I ask the minister to give me a figure that I missed on the third item, namely, the annuities vote. What is the amount this year required to maintain the reserve under the Government Annuities Act? The last figure was for 1952-53, in the amount of $743,666. I would appreciate having the figure for the year last concluded.

**Mr. Gregg:** The hon. member asked for what figure?

**Mr. Michener:** The amount required to maintain the reserve under the Government Annuities Act.

**Mr. Gregg:** From the statement for the year ended March 31, 1954, the transfer to maintain the reserve was $98,911.57.

**The Chairman:** Shall the item carry?

**Mrs. Fairclough:** If we have reverted to the annuities item, Mr. Chairman, may I ask what is meant by security premiums, the amount of which has increased? I agree that it is a small amount, but I am rather curious as to what is meant by the term "security premiums", found at page 233, item 22, which has increased from $4,000 to $4,500.

**Mr. Gregg:** I understand that item is for bonding of our annuity agents.

Item agreed to.

*184. Labour Gazette,* authorized by Labour Department Act, $136,043.

**Mrs. Fairclough:** This is something that we find not only in connection with the *Labour Gazette* but all the way through the pattern. Every item has an increase in postage. The reason I marked this one particularly was that there was no item at all for postage last year. This year there is $400. I notice under general administration there is an increase from $15,000 to $25,000. That is quite a sizeable amount. I do not want to raise this matter on every single item of the minister's estimates but I should be greatly interested to know why these postage amounts are so stupendous this year in comparison with last year.

**Mr. Gregg:** I think it will be found in other departments. It is because of a ruling of the Post Office Department that my department, and the *Labour Gazette* in particular, have to pay for all registered mail and all special service mail. Formerly it went free.

**Mrs. Fairclough:** It is a very interesting point because I remember raising this matter myself on the post office estimates. I refer to the matter of having the various departments charge their postage to their expenses and credit the Post Office Department. But on looking through the estimates I notice that the other departments have not done so.

**Mr. Harris:** Oh, yes.

**Mrs. Fairclough:** Oh, no. Maybe the Department of Citizenship and Immigration has done so, but I went through the estimates today and I found a great many instances in which the amount was exactly the same as it had been in former years.

**Mr. Harris:** Let us take that matter up with those departments.

**Mrs. Fairclough:** Either it is an over-all policy or it is not an over-all policy. As a matter of fact, I personally think that it would be a good thing if every department was charged for its postage and that amount was credited to the Post Office Department. I think it would give a clearer picture of postal revenue and expenses. But I notice that, all the way through the labour estimates, this matter of postage is quite an item, with increases in some places as I have just mentioned from $15,000 to $25,000 and in other cases increases of lesser amounts. But I notice other departments also in which there is no increase whatever. If that is the explanation, I wonder whether it is government policy or whether it is not government policy.

**The Chairman:** Shall the item carry?

**Mrs. Fairclough:** No. I should like to have an answer.

**Mr. Harris:** Since I perhaps started this argument, I might say this. I must apologize for doing so. I do not want to hold up the committee. I have not the time to go through the various estimates. I have just looked at the Department of Agriculture and I notice that it has been done there. I know my own department is now charging postage whereas it has not done so before. I daresay that if I have time I can unearth some figures that might satisfy my hon. friend. But it is the policy, as I understand it, that has been decided upon.

**Mrs. Fairclough:** It may be, Mr. Chairman, that some of the departments had already inaugurated this service.

**Mr. Harris:** It may be so.

**Mrs. Fairclough:** However I open my book of estimates at random and I look at defence production and at page 154 I find they had $30,000 last year and that they have $30,000 this year. I turn over the pages and I see

national health and welfare; I find that under the heading of immigration medical services they had $2,600 last year and they have $2,600 this year. Everyone knows the volume of material that goes out from the Department of National Health and Welfare. I turn over quickly to the laboratory of hygiene of the Department of National Health and Welfare and I see an item of $100 for last year and $100 for this year. Then I turn to—

**The Chairman:** Perhaps the hon. member would come back to the Department of Labour, if she would.

**Mrs. Fairclough:** Mr. Chairman, I have only brought this matter in because the Minister of Citizenship and Immigration has said that it is the policy of the government. Apparently it is not the policy of the government.

**Mr. Harris:** As I say, I cannot keep up with my hon. friend who is very quick-witted and has read from the pages she has looked at. I have looked at the Department of National Health and Welfare—she mentioned that department—and at page 327 there is an increase in the postal charges shown there.

**Mrs. Fairclough:** How much?

**Mr. Harris:** It is $1,000. As I say, I do not want to continue this argument because we are considering the estimates of the Department of Labour. If my hon. friend will take my word for it, I will go through the whole of the estimates before the evening is out and see if I cannot convince her that there have been increases.

**Mrs. Fairclough:** An increase of $1,000, from $6,500 to $7,500 is not a great deal of difference, is it?

**Mr. McCann:** Mr. Chairman, last night when I was going through my appropriations for the Department of National Revenue, I myself was rather surprised that the postage for national revenue cost $725,000 a year. Of course, we are dealing with 4,500,000 people who make income tax returns. That is $125,000 in excess of the amount we paid last year. I enter into this discussion because of the fact that for the last eight or ten years I have presided, I would think, at 99 per cent of the meetings of treasury board. As a matter of good accounting we expect that each department should pay its postage account to the Post Office Department. Therefore I think the increase in postage expenditure in the labour department is quite justified.

**Mrs. Fairclough:** I do not object to it at all. I think it is the adoption of a realistic attitude. The Minister of National Revenue has cited one instance, but on page 361 I find there is an increase from $200 to $8,000 in the customs and excise division. Then I see that the inspection, investigation and audit services branch decided to leave their postage at exactly the same amount. So it goes down the line. Some departments have done it and some have not. It just brings us right back to the contention which I made on the post office estimates, that if the departments would pay their own postage we would not have needed an increase in postage rates.

Item agreed to.

*186.* To provide for expenses of a women's bureau, $24,090.

**Mr. Knowles:** Has the director of this bureau been appointed yet?

**Mr. Gregg:** No, Mr. Chairman. In my opening remarks this afternoon I made an apology, on behalf of the civil service commission, for taking such a long time to provide a woman for this post, but I have hopes that they will have a recommendation to make in the very near future. I would make one comment on what the hon. member for Hamilton West said. She criticized mildly the fact that we had not established the junior positions during the past year. We refrained from doing that deliberately. I have felt from the beginning of this plan that the whole form of a women's bureau in relation to my department and the unemployment insurance commission, where the greatest scope lies so far as the country generally is concerned, would depend upon the character and capacity of the woman chosen to head the branch, and that it would be unfair to her to build up something and hand it to her when we were starting on this work. I am hoping to have a more complete report when I have occasion to talk about this subject again.

**Mrs. Fairclough:** I hope the minister will have something by the time we next come together.

Item agreed to.

*187.* To provide for payments to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, and administrative expenses connected therewith, $197,513.

**Mrs. Fairclough:** I see that the amount voted last year was $195,000 and that the amount actually expended was $101,000. Yet the appropriation requested for this year is $197,000, very close to twice the amount actually expended last year. I should like the minister to tell us why they need twice the amount expended last year. Will he also tell us what program is anticipated which

necessitates an increase from $15,000 to $25,000 in the amount for radio, film and other publicity.

**Mr. Gregg:** In response to the first question, the past year has been a period of organization, as I pointed out in my opening remarks. It has been a year of discussion on the part of the two officials, one from my department and one from the Department of National Health and Welfare. They have taken up this matter with all the provinces in the utmost detail for the purpose of working out a co-operative plan. As in so many things, the initiative has to be taken by the province and we assist financially. We assist financially in a special way here in that we assist the provinces in the provision of a provincial co-ordinator. Therefore the first year of organization is not an indication at all of the amount of money that we will need. I am sure we will need that amount of money during the coming year.

The other point has to do with the amount set out for publicity and information. In the early stages of getting into action on this plan we believe that a good deal of its success will depend upon co-operating with the provinces in making the plan known, in assisting in the placement of disabled persons after they have been medically rehabilitated and trained and in encouraging employers to employ a larger number of rehabilitated disabled people.

**Mrs. Fairclough:** I am sure no one objects to any amounts which are expended for this purpose, but it is a little confusing to find these things in two different departments and to try to bring them together and form a clear picture. That is the sole reason I asked the question.

**Mr. Gregg:** I am very glad my hon. friend mentioned that because I should like to take a moment to say that the reason why we in Canada have been so long in getting the plan under way is that it is a matter that comes within the scope of municipal, provincial and federal governments, a vast array of national organizations both specialized and miscellaneous, and a great array of provincial and municipal organizations and voluntary agencies which have been doing magnificent work in this field. But after three or four years of patient and loyal effort on the part of a great many people throughout the country we have worked out what I believe is a unified plan that is going to work well towards the objective we have in mind.

**Mrs. Fairclough:** I cannot help but comment on that because it has been my very happy experience to work closely with some of the people who are doing this community work. I am sure the minister will agree with me that it would be impossible to do this work if it were not for the voluntary services of people throughout this country from Halifax to Victoria in the rehabilitation of disabled persons, not only the rehabilitation of those of mature years but the training of young people too. I realize that the training of young people probably comes under the Department of National Health and Welfare, but they eventually come under the minister's department. I cannot speak too strongly of the great contribution which is made by people who have their own responsibilities but who give greatly of their time and effort in order to supplement whatever contributions are made by the various levels of government towards the rehabilitation of these people.

**Mr. Macdonnell:** I would venture to make an appeal to the minister by reason of what has just been said by the hon. member for Hamilton West, and I think agreed to by him. I want to ask the minister if he will make a very special appeal to the Minister of National Health and Welfare emphasizing the great importance of the voluntary organization. I sought to do that on the minister's estimates but I am not at all sure I made a very good job of it and I would be very pleased if the Minister of Labour would assist.

**Mr. Gregg:** I am sure it will not be needed but I will be very glad to do that. It is quite true that in this effort the voluntary agencies are in the front line and governments are there as allies, financially and otherwise, to help in the effective work which has been carried on.

**Mr. Macdonnell:** I suggest that the minister might use that phrase "front line" to the Minister of National Health and Welfare. I doubt if he has that conception at the moment.

Item agreed to.

Vocational training co-ordination—

*189.* Training payments to the provinces, $4,290,000.

**Mr. Noseworthy:** Would the minister tell us which provinces, if any, failed to take advantage of the federal grant last year, and how much was involved.

**Mr. Gregg:** There are, as my hon. friend knows, a number of agreements with the provinces. We have one, for instance, which my hon. friend mentioned this afternoon, under schedule M. We have one for youth training, one for apprenticeship training, and so on. Did my hon. friend have any particular type of training grant in mind? My hon. friend meant capital grants, was that it?

**Mr. Noseworthy:** I asked for training grants, Mr. Chairman.

**Mr. Gregg:** Well, I have, for instance, apprenticeship training; did my hon. friend want that?

**Mr. Noseworthy:** Has the minister not a recapitulation of the amounts available for each province and the amount of the total that was taken up by each province?

**Mr. Gregg:** I can give my hon. friend the figures for the youth training, for the apprenticeship training and for the vocational training. Then, we have, of course, the armed services personnel training which is carried 100 per cent by the federal government. The figures for youth training are as follows: Newfoundland, allotment, $30,500; at the end of March, 1954, the actual was $8,000; Nova Scotia, allotment, $43,740; actual, $19,398.49; Prince Edward Island, allotment, $7,000; actual, $3,957; New Brunswick, allotment, $43,450; actual, $22,884; Quebec, allotment, $175,000; actual, $132,157; Ontario, allotment, $100,000; actual, $40,000; Manitoba, allotment, $17,500; actual, $8,278; Saskatchewan, allotment, $45,000; actual, $39,145; Alberta, allotment, $32,500; actual, $16,506; British Columbia, allotment, $52,000; actual, $44,825.

**Mr. Gillis:** I should like to say that the figures the minister has put on the record just now clearly indicate the reason we have not the vocational training that we should have. It is not the fault of the federal government.

**Mr. McCann:** Hear, hear.

**Mr. Gillis:** The allotment for Nova Scotia was $43,000, and they took up only $19,000. The only province that did take up their quota fairly well was Saskatchewan. Ontario had an allotment of $100,000 and took up only $40,000. We ought to get some organization back in the provinces that is going to co-operate, and at least try to take advantage of the money that is available for carrying on this program.

**Mrs. Fairclough:** That is all very well, but as long as the federal government takes the major share of taxes of the country I do not know how they can expect the provinces to match them dollar for dollar.

**Mr. Gillis:** It is not very often I have to defend the federal government, but the shoe is on the other foot.

**Mrs. Fairclough:** You have been doing it all along, brother.

**Mr. Gillis:** The shoe is on the other foot.

[Mr. Gregg.]

**Mr. Knowles:** He is not on your team, so you should hardly call him "brother".

**Mrs. Fairclough:** The heck he is not; he has been defending the federal government ever since I came here this session.

**Mr. Gillis:** Any time I get up in this house, I know the difference between the labour estimates and the post office estimates, and any time I say something in this house I generally try to have all the facts and put them honestly. The "crack" the hon. member just made clearly indicates she is not very well acquainted with the facts, because according to those figures the provinces definitely are not co-operating with the federal government in taking advantage of the funds made available for vocational training.

**Mr. McCann:** Those figures were for youth training.

**Mr. Gregg:** I should make it clear—

**Mr. Gillis:** I understood they were for one schedule. We are not dealing with schedule M or with rehabilitation, we are dealing with the youth training program.

**Mr. Gregg:** These figures were for one schedule only, the youth training program. There are others that refer to the apprenticeship training program, the vocational training program, the armed services personnel training, defence industries and so on. The main one, or the large one, is for federal assistance grants to vocational training schools.

**Mr. Gillis:** That is right, but if the minister went into the whole picture it would be much worse. I am talking about the schedule to which the minister referred, and I resent the observation by the hon. member for Hamilton West that I defend the government. I am merely trying to be honest about this thing. I am not concerned about making political propaganda out of the situation in the provinces which needs correcting. The only way to correct it is to understand where the trouble lies, and so far as I can see the trouble lies with the provinces.

The excuse that the government is taking most of the taxes is not a valid one, because most of the provinces that are under the dominion-provincial taxing agreements are better off financially than if they were not under them. I have taken a look at my own province, and I am interested in it. I want to get some vocational training in that province. If the fault is with the province, then that is where I am going to place the responsibility and that is not defending the federal government. It is trying to get something done in a field where the provinces are

not measuring up. If they cannot match the federal government dollar for dollar, then it is up to the provinces to say so. It is not good government to allow hundreds of boys and girls to come out of school, largely because of economic circumstances, when they are still untrained for anything and when there is this amount of money available to help train them. If any province is not able to take up the money that is available, then it is nearly time the government of that province was replaced by somebody else.

**Mrs. Fairclough:** I notice, Mr. Chairman, that the hon. member for Cape Breton South frequently defends the government on something that is of a federal nature only, like post offices, which he has introduced into this discussion, but nevertheless—

**Mr. Gillis:** You introduced it; you have been talking post office rates all night.

**Mrs. Fairclough:** Oh, I have not.

**The Chairman:** Order.

**Mrs. Fairclough:** The hon. member must have a peculiar echo in his brain, but in any event, Mr. Chairman, he does defend the government on everything that affects federal policies. When it comes to provincial policies, he defends the only one province that is governed by the party to which he gives loyalty.

**Mr. Gillis:** It is not any provincial policy at all.

**Mr. Macdonnell:** I feel I should like to know a little more about this item. I want to read the item, and perhaps the minister would say a word of explanation. There is the sum of $513,000 for youth training and $931,500 for apprenticeship training. Would the minister explain exactly how that works? And then I find a further amount for vocational school assistance; one for foremanship and supervisory training, and then the following:

> Training of persons to fit them for gainful employment or for defence industries including vocational training for the physically disabled.

And then there is a further sum of $100,000 for the training of persons to fit them for the armed forces. There must be a wide variety of objects and purposes. Would the minister give us the position with respect to those?

**Mr. Gregg:** To take first the apprenticeship training, to which we have just referred in passing. That is carried out on a fifty-fifty basis between the provinces and the federal government. Does the hon. member want details as to figures?

**Mr. Macdonnell:** No, but would the minister explain how this is done. I remember being in a plant and seeing some youths apprenticed there. Would they come under this scheme? Is this done in co-operation with industry?

**Mr. Gregg:** It is done in co-operation with industry, and in some cases assists in bearing some of the cost. But whatever costs there may be in those provinces which industry does not bear, then they are shared equally between the provinces and the federal government. But every encouragement is given industry to do as much of this work as it possibly can, not only because of the cost but because we feel it is more effective if industry does it rather than by establishing apprenticeship schools.

**Mr. Macdonnell:** It would seem to me that if industry would do it it would be more realistic and effective. But when industry does not do it, what is the relationship of those apprentices which are in industry? Are they like visitors who are in there, just looking on, or are they an integral part of the work going forward?

**Mr. Noseworthy:** While we are on this point let me say that I hold no more brief for the Liberal government in Ottawa than I do for the Conservative government in Ontario. But I do suggest that school boards should be made cognizant of the amount of the grants made by the federal government. I know of school boards in Ontario where federal grants have been given through the provincial government, and the school boards have been given to understand that the entire grant was paid by the provincial government.

**Mr. Churchill:** Concerning this item which has to do with trade training, and the training of persons to fit them for the armed forces, as set out at page 238, I notice that the amount listed is $100,000. In the report of the Department of Labour at page 87 there is a table showing the federal allotment as $138,542. And then in the same table, breaking down the people enrolled under training and the like, it indicates that for those training for the army in New Brunswick there is a payment of $12,585.50, and the total days training is shown as 5,668.

Then if one follows it down you see the Quebec army plan, the Manitoba army plan and the Alberta army plan. You find there is a difference in the cost of a day's training in each one of those provinces. It varies from something over $2 in New Brunswick to more than $3 in Manitoba.

Then, at page 76 of the report of the Department of Labour it speaks of this trade training for the armed services, and says in the last paragraph:

During the year 62 instructors were hired by Canadian vocational training for this purpose, the money being provided by the Department of National Defence.

The question I would ask based upon those figures is this: What is the nature of this training, and why is not the cost of it the same from province to province? In what way is the money allotted for this purpose expended? Is it expended for the payment of other instructors rather than those who are provided by the Department of National Defence, or is it for some other purpose?

**Mr. Gregg:** I shall come back in a moment to the question asked by the hon. member for Greenwood. My hon. friend knows that this training is done by the provinces, through the federal government, where 100 per cent of the cost is paid, because it is being done on behalf of the armed forces. In the Department of Labour we are acting merely as a sort of honest broker between the Department of National Defence, the provinces and the schools.

The other question asked was as to the variation in costs, as to why it is much cheaper in New Brunswick than in Manitoba. Well, the obvious answer is that we are a poorer people than you are in Manitoba. But I think it is due to the fact that there are bound to be variations in the schools, and the number of students under training. Consequently this would govern the cost per head in training.

Then to answer the other question concerning apprenticeship training, I shall refer to my memorandum. This is a renewed apprenticeship training agreement. As I said a moment ago, this schedule was the basis of training under separate agreements between the federal government and the provincial governments. So that apprenticeship training is an agreement all by itself. The renewed apprenticeship training agreement is in operation in all provinces except Quebec and Prince Edward Island. The Northwest Territories have also entered into an agreement recently. The agreements which cover a ten-year period expire on March 31, 1964. The purpose of the apprenticeship agreement is to promote and develop training programs for indentured apprentices registered under various provincial laws and regulations, and to encourage the training of more skilled workers in all types of industrial employment where apprenticeship is applicable.

[Mr. Churchill.]

Subject to the amount voted annually by parliament the federal government shares equally with the provincial governments in the cost of organizing and operating special training classes, and maintaining adequate field supervision of provincially controlled apprenticeship programs. Apprentices registered March 31, 1954 totalled 12,902. The apprenticeship program of Quebec differs from that in the other provinces, as it is controlled by special committees operating in designated zones, and is financed by assessment.

**Mr. Macdonnell:** How many are there under agreement?

**Mr. Gregg:** As at March 31, 1954 there were registered for training, all told, 12,902.

**Mr. Macdonnell:** Under the apprenticeship scheme?

**Mr. Gregg:** Yes, under the apprenticeship scheme.

**Mr. Macdonnell:** And the amount appropriated for it is $900,000. Will the minister just tell us what the relationship is? We will say that there is an apprentice working in a factory; is that correct.

**Mr. Gregg:** Yes.

**Mr. Macdonnell:** How much does he receive from public funds and how much from his employer?

**Mr. Gregg:** When he is at school we pay an allowance, and the tuition fee at the school. When he is taking his training with private industry, then private industry absorbs all the cost.

Item agreed to.

*190.* Payments to the provinces for capital expenditures for vocational schools, buildings and equipment, $300,000.

**Mr. Noseworthy:** I am rather surprised that these items are so small for past capital expenditures. Can the minister tell us in what provinces that $400,000 was spent last year, and just what the conditions are on which those grants are made?

**Mr. Gregg:** The reason the amount is so small is that we had cleared up prior to this year practically all the payments that were owing by the federal government on schools that had been constructed during the post-war period. The amount last year was to provide for commitments only in Newfoundland, Ontario and Manitoba.

**Mr. Noseworthy:** What are the conditions under which this money is available?

**Mr. Gregg:** The conditions are that the vocational school or the technical school must

be up to certain general standards that are satisfactory to the kind of training that our department feels should be done, and following that the cost is matched on a fifty-fifty basis with the provinces.

**Mrs. Fairclough:** Will the minister give the provinces which have participated?

**Mr. Gregg:** Newfoundland, Ontario and Manitoba.

**Mr. Gillis:** These are grants, of course, and every province will take them all up. There is no matching in this. The minister indicated that only Newfoundland, Ontario and Manitoba received anything by way of grant last year. Under what circumstances does the minister start negotiations for the establishment of a vocational school or high school? Am I right in assuming that the province must first decide to build a school in some section of the province, determine the cost and the federal government will then offer a grant in aid of a certain amount of money. Suppose you are putting up a school that costs $2 million. The grant made by the federal government is a small fraction of that, is it not?

**Mr. Gregg:** Fifty per cent, if within the allotment.

**Mr. Gillis:** Fifty per cent of the total cost of the erection of the school. Once the school is in operation, its maintenance is in the hands of the municipality in the province? There is no grant by the federal government for maintenance?

**Mr. Gregg:** We pay 50 per cent up to a maximum annually.

**Mr. Gillis:** After it is in operation, who maintains it? What I am interested in now is this. How do you get started on this application for a school? Does the provincial government make application to the federal government, or do they build a school and determine the cost and bill the federal government for it?

**Mr. Gregg:** The normal way is for the provincial officials to discuss it with our officials at the planning stage. This will include the size, the cost, et cetera, and we pay 50 per cent of the cost within their allotment.

**Mr. Gillis:** What I am thinking of now is this: Newfoundland gets $300,000 of these estimates by way of capital assistance.

**Mr. Gregg:** May I make an explanation, because I think it is important? We were working on a ten-year period from 1945 to 1955. This of course is another outgrowth of the war. The ten years are ending this fiscal year. We shall now be going on, I hope, to another period in the future. During the ten-year period certain amounts were allotted federally to each province. The amounts were not all spent in one year. They may be spent as the schools proceed.

It might be of assistance if I just put on the record how much these allotments were in that ten-year period and how much was spent, because it would be unfair to say that because that small amount of money was paid to those three provinces this year that is all they received. It might give a distorted picture. I will give this in round figures: Newfoundland, allotment $219,000. No claim has yet been made in Newfoundland. I am going to give the whole thing.

Prince Edward Island, federal allotment $61,500 for buildings; paid, $61,500; allotment for equipment, $20,500; claims paid, $20,500.

Nova Scotia, allotment for buildings, $378,000; claims paid, $378,000; for equipment, allotment, $126,000; claims paid, $68,000.

New Brunswick, allotment for buildings, $324,750; paid, $324,750; for equipment, $108,000; paid, $108,000.

Quebec, allotment for buildings, $2,354,000; paid, $2,354,000; for equipment, $784,000 allotted; $784,000 paid.

Ontario, $2,272,000 allotted for buildings; paid, $2,273,000; for equipment, allotted $757,800; paid, $534,060.

Manitoba, allotted for buildings, $492,000; paid, $373,000; for equipment, $164,000; paid, $74,000.

Saskatchewan, allotted for buildings, $643,000; for equipment, $214,000; paid, $214,000.

Alberta, allotted for buildings, $525,000; paid, $525,000; allotted for equipment, $175,000; paid, $175,000.

British Columbia, allotted for buildings, $446,000; paid, $446,000; allotted for equipment and paid $148,000.

Northwest Territories, allotted, $12,700; it has not yet been paid.

**Mr. Gillis:** These were ten-year agreements? Does the minister renew these agreements this year?

**Mr. Gregg:** They may be renewed after March 31, 1955.

**Mr. Montgomery:** I thought I knew something about this, but between the hon. member for Cape Breton South and the answers given I am all mixed up, and I think I shall have to ask the minister a question or two. These are not grants, are they? Is this money not paid more or less under what we call arrears? Does the municipality or

the school board not decide on the buildings, with the approval of the department of education of the province, and then the building is erected? The federal government deals with the provinces after the building has been erected and has been approved by the department of education? In other words, there is no particular grant given to a province and they get it whether they use it or not? It is paid in arrears, is it not?

**Mr. Gregg:** I do not think I said that, Mr. Chairman.

**Mr. Montgomery:** No, it was the hon. member for Cape Breton South.

**Mr. Gregg:** The provinces knew what they could expect if they were able to provide the kind of buildings for the purpose, and then went ahead, consulting along the line. When the construction was ended, 50 per cent was paid by the provinces and 50 per cent by the federal government up to the amount of the allotment for each province. Some provinces have spent additional amounts over the allotments.

**Mr. Noseworthy:** Is the minister in a position yet to indicate what is likely to be the nature of the next ten-year agreement? Will that be more or less left for the future?

**Mr. Gregg:** No, Mr. Chairman, I am not in a position at the present time to say that, as my hon. friend will understand.

Item agreed to.

Terminable services—

*192.* To provide for expenditures incurred in implementing recommendations of the national advisory council on manpower, and for the administrative costs of the council, $11,700.

**Mrs. Fairclough:** Would the minister say what has happened on these terminable services. This item provides for expenditures incurred in implementing recommendations of the national advisory council on manpower, and for the administrative costs of the council. Last year the item was $66,780 and this year it is $11,700. According to the details there was one item last year covering office stationery and supplies amounting to $55,000, which is a sizeable amount, and this year it is reduced to $500. Would the minister say whether this means that the activities of this council have been, I might say, curtailed, though that is a very mild word. Has it been wiped out or what has happened to it?

**Mr. Gregg:** No, the council has been doing very good work. We have only had one meeting and I hope we will not have to have meetings of the full council more often than that. On some other occasion I would be glad to give a full report of the activities of the council and indeed I explained them fully to the hon. member for Broadview last year. The reason the vote is so much smaller this year is that last year under the advice of the council a certain amount of material was stockpiled against the day when it might be needed in case of an emergency. This is a non-recurring item.

**Some hon. Members:** Carried.

**Mrs. Fairclough:** No, do not get excited. The total expenditure last year was $4,231 and the amount appropriated last year was $66,780. That seems to be a magnificent piece of budgeting. This year, in spite of the fact that $4,231 were expended for last year, we have an estimate of $11,700. How does the minister explain that this particular item will cover almost three times the expenditure last year despite the curtailment of the activities of the council?

**Mr. Gregg:** If my hon. friend will look at page 29 she will see that under item 192 for 1953-54 there was an estimate of $66,780, and for 1954-55, that is this year, the estimate is $11,700.

**Mrs. Fairclough:** But that is not a very good comparison because although they estimated to the extent of $66,780 last year they spent only $4,000 and now the estimate of expenditure amounts to $11,700, which is three times as much.

**Mr. Macdonnell:** What about the $55,000?

**Mr. Gregg:** In reply to the hon. member for Hamilton West I might say that this is due to the fact that we expect to have one more meeting of the council this year.

**Mrs. Fairclough:** Will that one meeting cost $7,000?

**Mr. Macdonnell:** I would like to know what this council does. The minister has told us they have had a laudably small number of meetings. I think that is desirable. But I would like to know just what they do. The item reads, "implementing recommendations of the national advisory council." I think it would be reasonable for us to know what we are implementing.

**Mr. Gregg:** Well, Mr. Chairman, I do not think my hon. friend would want me to go into a full report tonight. I did that on one or two other occasions. In 1950 there was an apparent need for an organization through which the employers, workers, farmers, women, and other groups could bring their views bearing on manpower problems to the attention of the minister and the Department of Labour, and this very excellent council was organized to carry out this work.

**Mrs. Fairclough:** The minister has not answered the basic question which I put in regard to the sharp cut in the appropriation for this department amounting to about one-sixth. The minister has just made a statement about the tremendous amount of work done by this council last year and yet they did it on $4,000. Does the minister say that $11,000 is going to produce three times the result? Or does he say that in view of the appropriation of $66,000 for last year this council is practically going out of existence?

**Mr. Gregg:** I shall not admit the latter point at all. All I will say to my hon. friend is that this council is not in the same category as a branch or sub-branch of the department which has a stabilized expenditure that can be figured exactly. Certain plans are under way which vary from year to year.

**Mrs. Fairclough:** The minister said a few minutes ago that it cost almost $7,000 to call a meeting of this council. But they spent only $4,000 last year and they are calling for $11,000 this year. They had an appropriation of $66,000 last year and I think the committee should have an explanation.

**Mr. Gregg:** The normal expenditure for calling a meeting together is $1,114.

**Mr. Montgomery:** Is the personnel of this council more or less permanent?

**Mr. Gregg:** Yes.

**Mr. Macdonnell:** Like the hon. member for Hamilton West I am a bit confused by these figures and I think we should get them straight. Let me read what these figures say. The item on page 29 asks for $11,700 for 1954-55 and indicates that this is a decrease of $55,000 from last year when the item was $66,780. So far so good. Now, on page 240 I confess I become confused because first of all we have a reiteration of the figures on page 29, namely the request for $11,700—and I still feel the hon. member for Hamilton West has not been answered very well on that point—and then there is the figure of $66,000 for last year. But following that we have another figure which does not seem to tie up with anything because it says "fiscal year, 1952-53, expenditure $106,099; fiscal year 1953-54: estimated total $4,231." I must admit I am completely confused.

**Mr. Gregg:** I do not think there is anything confusing about it. When we prepared the estimates last November we felt and still feel that there are certain projects during this fiscal year that the council could well undertake and carry through and it was known at that time that an amount in the estimates would be required to do it.

**Mrs. Fairclough:** I am not at all satisfied with this. In the first instance the amount for office stationery and supplies has been reduced from $55,000 to $500. Everyone who ever ran an office knows that the measure of your activity is, to some extent, the amount of supplies and so on that you use in your office. But to cut the thing right down to 1 per cent is a ridiculous item. Then you turn around, on the other hand, and you have "allowances and expenses of council members and others" raised from $9,000 to $10,000. I think this committee is entitled to some explanation of this item. Travelling expenses have gone down from $1,500 to $1,000. Terminable allowances have been wiped out completely. Office stationery and supplies have been reduced, as I said, from $55,000 to $500. Yet the allowances and expenses of council members and others have gone up from $9,000 to $10,000. What is the answer?

**Mr. Gregg:** Mr. Chairman, I hope that my hon. friend will not think that there is anything deep and devious here at all. I tried to explain the matter of the office expenditure. Office expenditure is the wrong word there. It was a special kind of paper that was required for a special kind of use to have ready in case of need. That happened only once and it will not happen this year. Consequently we did not put the amount in the estimates.

**Mrs. Fairclough:** You mean to say the inventories on hand will last for how many years?

**The Chairman:** Shall the item carry?

**Mrs. Fairclough:** The minister does not know.

Item agreed to.

*194.* To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada to work on farms and other essential industry in Canada when Canadian labour is not available to meet the need, including costs connected with the supervision and welfare of persons already immigrated to Canada; administrative expenses connected therewith and to provide for expenditures under agreements with the provinces authorized by the governor in council, $878,258.

**Mr. Herridge:** Will the minister please explain the procedure under this estimate which is to provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada to work on farms. From what country do they come? What citizens of which country get assistance under this vote? How is it applied?

**Mr. Gregg:** Where firms require workers the Department of Labour, in co-operation with the Department of Citizenship and Immigration, if it has not those workers available in Canada, co-operates to bring over groups of workers. They come from any country in which the Department of Citizenship and Immigration is operating.

**Mrs. Fairclough:** Under this item there is a decrease of $115,574. In the supplementary estimates there is—wait a minute, maybe I have the wrong amount—no, in the supplementary estimates it is under unemployment insurance commission. It is to provide for the transfer of labour to and from—

**Mr. Gregg:** That is a different item.

**Mrs. Fairclough:** I know, but it is for the same thing, is it not?

**Mr. Gregg:** No. It is a different thing.

**Mrs. Fairclough:** It is a case of robbing Peter to pay Paul, I would think, because it says in the one instance, in item 194:

To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada—

In the other case it says:

To provide for the transfer of labour to and from places where employment is available—

And so on. It is still juggling with labour.

**Mr. Gregg:** One has to do with workers coming into Canada and their getting work; the other has to do with moving workers from one part of Canada to another.

**Mrs. Fairclough:** Just a minute. It is still a case of juggling workers around, is it not?

**Mr. Macdonnell:** I should like to have some information as to the number of people involved. The item reads:

To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada—

And so on. I think we should have quite a little bit of information as to just what is involved. We are trying to get through these estimates, Mr. Chairman, but we are not trying to pass everything in a rush, only to be asked questions afterwards which make us look like ninnies for not having asked them.

**Mr. Gregg:** I am glad to give all the information that is required.

**Mr. Macdonnell:** The minister is very good about it, but there are certain signs of impatience in the committee which makes it a little bit difficult for us to continue.

**Mr. Abbott:** Summer heat.

[Mr. Herridge.]

**Mr. Gregg:** The technique of group movements was developed in 1946 when 2,876 Polish soldiers who had served with the British in General Anders' army were brought to Canada for employment on farms. I mention that only to indicate its inception. I am not going to trace down the history of it from there. During the fiscal year 1953-54 there have been 9,952 immigrants brought forward in group movements, including 3,543 domestics, British, German and Greek; 5,003 farm workers and sugar beet workers; 1,142 track maintenance workers and 264 general labourers from the island of Malta.

In previous years substantial numbers of immigrant workers were brought forward in group movements for employment in woods work and mining but there was no demand for this type of worker during the fiscal year 1953-54.

Displaced persons who came forward in previous years were provided with free ocean transportation by the international refugee organization. Since IRO ceased operations on December 31, 1951, there is no provision for free transportation to immigrants coming to Canada. The cost of ocean transportation for immigrants coming to Canada in group movements is now provided by way of assisted passage loans granted by the Department of Citizenship and Immigration in some instances and in other instances the immigrants themselves pay their ocean passage.

The Department of Labour pays the cost of inland transportation for domestic workers and farm workers, provided they are placed in employment by the national employment service or the federal-provincial farm labour committees, and provided that such workers remain in the employment to which they are assigned for a period of one year. I should of course add there that they do not always all do that. If there is any other information my hon. friend would like to have, I shall try to give it to him.

**Mr. Macdonnell:** This seems to be like a piece carved out of what one would expect to be the functions of the department of immigration. What is the relationship between the two departments? Why, for example, is this particular activity assumed by the Department of Labour? Is there any other feature or factor of immigration which is assumed by the Department of Labour and not by the Department of Citizenship and Immigration?

**Mr. Gregg:** The main reason is that the requirements for those workers come to the

attention of the national employment service and the Department of Labour in the first instance and they are subject—

**Mr. Macdonnell:** May I interject a question there? Are they different from all other immigrants in that respect and are all those that are included in the description the minister has just given covered under this grant?

**Mr. Gregg:** Only those that I mentioned. Those categories that I mentioned are included in this move of the Department of Labour.

**Mr. Cardiff:** Do these groups come out for farm labour or are they employed in any kind of labour that is needed?

**Mr. Gregg:** I will give my hon. friend the groups for this last year. That will give him an idea. For the last year the figures are as follows: General labourers, 264; farm workers, single males, 2,448; farm couples, 478; farm families, 166; sugar beet families, 1,506; special church groups—that is in co-operation with church organizations and agricultural organizations—405; then on construction, 1,142; domestics 3,318, domestic couples, 224. Those are the only categories, namely, construction and farming.

**Mr. Cardiff:** What denominations were they? What church denominations?

**Mr. Gregg:** Lutheran, Baptist, Roman Catholic, Methodist and Mennonites.

**Mr. Abbott:** No Anglicans?

**Mr. Montgomery:** Are any of these expenses returned? It was our understanding that money was advanced by the immigration department to pay the way of certain people coming out here to work as farm and other types of labourers, and that there was a revolving fund set-up under which the money was repaid. I understand this has nothing to do with that type of immigrant. If not, are these people expected to refund to the department the money advanced? For instance, there is an item here of $30,000 for travelling expenses and then an item for food and other supplies. I suppose the purpose of these items is to look after these immigrants until they are settled.

**Mr. Gregg:** In these cases their transportation to this country is paid.

**Mr. Montgomery:** And it is not refunded?

**Mr. Gregg:** It is not refunded.

**Mrs. Fairclough:** With respect to the details on page 241, what is the explanation for the reduction in the amount for professional and special services from $162,000 to $15,000 and for the reduction from $55,000 to nothing in the case of rental of buildings?

**Mr. Gregg:** When these groups came over here, particularly in the winter months, it was necessary for them to have a stopping place until they were moved out to their places of work. Consequently some of the buildings at Ajax were utilized during that period, but last year we closed that out.

**Mrs. Fairclough:** That still does not explain the reduction in professional and special services from $162,000 to $15,000.

**Mr. Gregg:** The catering there was defined as a special service.

**Mr. Gillis:** I am also a bit puzzled about this item. It is not only farm labour that is involved. The amount of money provided is quite large and the item states that it is to be used for the movement of workers from outside Canada to essential industry and so forth when Canadian labour is not available. There is a lot of Canadian labour available in this country at the present time. When you look at the details on page 241 it makes you wonder what kind of services are provided. The amount for housing, board and maintenance is dropping. The amount for professional and special services has gone up.

**Mrs. Fairclough:** No.

**Mr. Gillis:** There was $90,000 last year and this year there is $125,000.

**Mrs. Fairclough:** That is food and other supplies. You are on the wrong line.

**Mr. Gillis:** The rest of the items appear to be about the same, and it would seem to be more or less a permanent organization. The amount for rental of buildings has gone down but the amounts for repairs and upkeep of equipment, electricity, heat, water rates and other municipal services, sundries and hospitalization expenses appear to be about the same. Is this vote, the details of which are set out on page 241, for the purpose of maintaining some centre to house immigrants coming into the country as farm or industrial labourers until such time as employment is found for them? Is money provided to move them from one section of the country to the other? Is it for the purpose of maintaining a centre for immigrants? That is what it looks like.

**Mr. Gregg:** That is correct. As I said a moment ago we have cut down radically on that kind of stopping place. There were two, one at St. Paul l'Ermite outside Montreal and one at Ajax in Ontario. We have closed down the one at Ajax but we still maintain the one hostel near Montreal. As to the

emergency professional and medical services, they are provided for the people who are there from time to time.

**Mr. Gillis:** Are similar services available to the scores of unemployed people who are and have been permanent residents of this country? I know that in Ontario, the maritimes and all the provinces you will find pockets where there is unemployment. Are such services available to our own unemployed? Can they get transportation from one section of the country to the other to a job? Is there some centre to which they can report where they will be fed, clothed and provided with hospitalization in case of illness? Could these centres be utilized for the purpose of moving our own people around the country?

The minister will remember that in April of this year there were 56,000 Canadians receiving supplementary unemployment insurance benefits who went off the rolls completely at the 15th of April. We know there were 56,000, and we also know there were many more. Are there no services available under this department that would provide the same kind of protection for these people? That is pretty full protection. I am not objecting but I do think that people who have lived in Canada for a good many years and have paid their taxes and are now out of work through no fault of their own and are off the unemployment relief rolls are at least entitled to the same consideration as people we may bring into the country. The least we should do is to equalize the situation so that people who have been here will have the same kind of privileges if they are out of work as are being provided at this place in Montreal.

**Mr. Gregg:** I think the hon. member will recognize that these were emergency cases of a temporary nature. These people were brought in, taken to the hospital and were only there for a very short time until they went to their work. I am glad to say that it has been possible to lessen the amount of that kind of accommodation. I might also say that under a later item some provision is made for co-operating in helping to move Canadians who are unemployed to other places where employment may be found, although it does not fill all the requirements.

**Mr. Herridge:** I am not quite clear on this item. Is this the only item under any department of government providing assistance to farm workers in Canada?

**Mr. Gregg:** We passed that one. That was item 185.

[Mr. Gregg.]

**Mr. Herridge:** We are on item 194. Is that the only item that makes provision—

**Mr. Gregg:** Item 185 on page 28.

**Mr. Herridge:** This item also makes provision for farm workers. I was wondering whether this included them all or only a percentage of them. There is a great deal of complaint about many of these people coming to this country under the pretext of going on a farm and then "doing a bunk". There is no question about it. I want to read a short extract from the Saskatchewan *News* published by the government of Saskatchewan. It is headed, "Few Immigrants for Farm Work", and reads as follows:

> The federal-provincial farm labour committee has recommended that no more than 100 German farm immigrants be confirmed for placement in Saskatchewan this year. L. J. Hutchison, secretary of the committee, said the recommendation was based on the realization that German farm immigrants had not assisted materially in reducing the farm labour shortage.
>
> He explained that a reason for this is the movement of labour from agriculture to industry which is evident across Canada and which is particularly true with respect to German farm immigrants placed on Saskatchewan farms.

I do not know about Saskatchewan conditions but I have heard general complaints that these people who get assistance to come to Canada to work on farms have no more idea of working on farms than I have at the present time. They stay for a while and then disappear into industry. I do not think it is good enough that this government should assist people to come here to work on farms under those conditions. I think the same amount of money could be better used to help some Nova Scotia people get to employment in western Canada.

**Mr. Noseworthy:** I understood the minister to say that these grants for hospitalization and medical services are of a temporary nature for immigrants coming into this country who become ill and have to go to hospitals. There is a $150,000 grant there. Any experience that I have had with the department of immigration would indicate that anyone coming to this country is given a thorough medical checkup before he comes here. It would seem that these people who, as the minister indicated, are brought here by employers may get in without any such medical checkup as ordinary immigrants receive. I believe that requires some explanation.

Before the minister answers there is just one other question I should like to ask. The minister told us that this grant is for payments, in co-operation or conjunction with the department of immigration, for workers

who are brought in by employers. Has the minister any record there of the names of some of the larger employers who are bringing in these people?

**Mr. Gregg:** No, I have not the names of the employers, Mr. Chairman, because there would be a long list. Most of them are farmers who are employing farm workers. I should have added to my remarks, so as to allay the fears of my hon. friends, that this comes about as a result of close liaison between the officials of the Department of Labour and the farm labour committee as well as representatives of each of the departments of agriculture in the provinces. These people meet, and I recall I was present at the meeting when Saskatchewan representatives were here. They stated how many and what kinds they wanted. They discussed the question of the difficulty of keeping the new Canadians on the farm as well as the difficulty of keeping domestic help for the housewife. I can assure my hon. friend that they are not brought in if there are Canadian workers available to do that work.

The other question raised was as to how could we make sure these immigrants fulfil their year's obligation. This is a very difficult question with which the farm labour committee has wrestled for two or three years. They have not got the complete answer as yet but they feel they are making some improvement. As I said in my opening remarks, the operations under this vote will be less this year than they have been in the last few years.

**Mr. Noseworthy:** I have just one other question, Mr. Chairman. I notice that there is $125,000 in this item for professional and special services. What is the nature of the professional services receiving the bulk of the $125,000?

**Mr. Gregg:** If my hon. friend looks at page 242 he will see that $30,000 is for professional services and hospitalization expenses.

**Mr. Noseworthy:** No, the item to which I am referring is on page 241, the second item, professional services and special services, $125,000.

**Mrs. Fairclough:** No, that is for food and supply.

**Mr. Gregg:** On page 241 to which my hon. friend refers, at the bottom of the page there is an item for housing, board and maintenance; then, there is a subhead, professional and special services, $15,000. It that right?

**Mr. Noseworthy:** Yes, the next item.

**Mr. Gregg:** The next item is for food and other supplies, $125,000. As I said, that will go to take care of accommodation at the hospital.

**Mr. Macdonnell:** I want to ask a question or two about the organization we have that is involved in this operation consisting of the provinces, the Department of Labour, and at some point the department of immigration. First of all, what offices has the Department of Labour in Europe?

**Mr. Gregg:** We have no offices except personnel attached to the office of the Department of Citizenship and Immigration.

**Mr. Macdonnell:** In other words, the department uses the offices of the department of immigration in Europe, with personnel from the Department of Labour attached?

**Mr. Gregg:** You mean on the continent of Europe?

**Mr. Macdonnell:** On the continent of Europe.

**Mr. Gregg:** There is very little on the continent of Europe; it is mainly in London.

**Mr. Macdonnell:** Perhaps the minister would be able to say whether this item we are discussing now applies chiefly in the United Kingdom? Do the people concerned in this thing come chiefly from the United Kingdom and can this be regarded as a United Kingdom operation?

**Mr. Gregg:** No, Mr. Chairman, these are officials that the Department of Labour has in London mainly, I think with one or two others on the continent. They are not specifically for these groups of people, but on behalf of the Department of Labour with regard to all immigrants. These officials are able to advise immigrants with certain skills as to the working opportunities in Canada, and when applicants come in to be interviewed they would be available for that purpose. They are there for that purpose.

**Mr. Macdonnell:** The minister says available to all immigrants; do I understand then that the Department of Labour concerns itself, to some extent, with all immigrants?

**Mr. Gregg:** Only at the request of the Department of Citizenship and Immigration officials at that point where interviews may be required with respect to certain qualifications.

**Mr. Macdonnell:** Who is responsible for selecting, screening and passing on immigrants?

**Mr. Gregg:** Our people are on the selection team at that point.

**Mr. Macdonnell:** Will the minister expand that a little by saying who is on the selection team? My question is; who seeks out and passes on the immigrants? I take it the minister says it is a team.

**Mr. Gregg:** The department of immigration.

**Mr. Macdonnell:** The department of immigration?

**Mr. Gregg:** Yes.

**Mr. Macdonnell:** And they are responsible until when, until the immigrant arrives in Canada?

**Mr. Abbott:** What difference does it make?

**Mr. Gregg:** They are responsible until they arrive in Canada and, in some cases, until the new Canadian is placed. Our national employment offices co-operate in that placement at all times.

**Mr. Macdonnell:** The Minister of Finance says, "What difference does it make?" I think I am justified in saying that it may make quite a lot of difference. I believe that sometimes there is a good deal of difficulty and even of confusion as between the two departments. I wish to be perfectly frank and to ask at what point there is a division of responsibility as between the two departments. There is every chance of a difficulty arising. It would be a great surprise if it did not arise, and I would like to know exactly what the division of responsibility is.

**Mr. Gregg:** I can assure my hon. friend there is no difficulty between the two departments. The responsibility for immigration rests with the immigration branch. The Department of Labour, the national employment service and the unemployment insurance commission in these various activities act in all respects as an agent of the Department of Citizenship and Immigration in co-operation toward achieving a common purpose of getting immigrants over.

**Mr. Macdonnell:** I understand the minister is speaking about activities in Europe at the moment. What happens when they arrive here? Who is responsible for these people we are talking about when they arrive here? Under which department do they come, then?

**Mr. Gregg:** These we are talking about under this special vote, because of the fact that they have been demanded or required through our machinery in the employment office—the federal-provincial farm labour committee—are moved from the point of landing in Canada and go perhaps to a hostel, but often go to their employers, and are there turned over and placed. Is that an answer to my hon. friend's question?

[Mr. Gregg.]

**Mr. Macdonnell:** Let me be clear. Up to arrival in Canada they are under the immigration department, and when they reach Canada they come under the Department of Labour, which then governs their movements?

**Mr. Gregg:** That is right.

**Mr. Montgomery:** May I ask a further question. When the immigrant comes out and is placed on the farm, he seems to be under the supervision of the immigration officer. Can the minister explain how it is that he comes under that officer? That is what is confusing us. Immigrants who have arrived on farms in communities we know are supervised by immigration officials. The man representing the department seems to be an immigration officer. It may be that we are all wrong, and that it is the Department of Labour. I would like to know that.

**Mr. Gregg:** Naturally it is the desire that a representative of the department of immigration in the area keep supervision over the progress of new Canadians during their early period in the country.

**Mr. Montgomery:** He places him on the farm?

**Mr. Gregg:** Yes.

**Mr. Barnett:** As I understand the picture these people are brought in under a joint arrangement between the immigration department and the Department of Labour. I understand the minister to say that once they arrive in Canada the Department of Labour accepts some responsibility after they have landed. My question is this: During the year in which they are working under the arrangement under which they came to Canada, do they come under the supervision of the federal Department of Labour or of the various provincial departments of labour in respect to their hours of work, the sort of wages paid, and other working conditions? Does the Department of Labour accept responsibility for that during the first year?

**Mr. Gregg:** To go back again; the request for them is made with the concurrence of the representative of the provincial department of agriculture—in connection with agricultural workers. In that province the minimum amount that those new Canadians will be paid when they arrive at the farms is already decided each year at the annual meeting of the committee. So that that is settled, and the information is conveyed to these men going on the farms when they arrive in Saskatchewan or Alberta. And it is then the responsibility of this department in conjunction with the provincial department of agriculture to see that that agreement is carried into effect.

**Mr. Fulton:** Has the figure been given as to how many were brought in under the aegis of this activity of the Department of Labour?

**Mr. Gregg:** I gave that earlier in the evening.

**Mr. Fulton:** And how many it is anticipated will be brought in this year?

**Mr. Gregg:** I gave that information earlier in the evening.

**Mr. Fulton:** Does the minister recall it offhand?

**Mr. Gregg:** It is 9,952 in 1953-54.

**Mr. Fulton:** And it is anticipated that how many will be brought in this year?

**Mr. Gregg:** It is estimated there will be about 8,000.

**Mr. Fulton:** There is one thing that interests me considerably, and that is the amount for hospitalization and medical aid. This year it is $155,000. What has been the experience in that regard? Has it been necessary to provide that amount of hospitalization and medical aid for these people brought in?

**Mr. Abbott:** Order for return.

**Mr. Gregg:** If my hon. friend would agree, I would prefer to make that an order for return. I would like to give him a more complete explanation of it.

**Mrs. Fairclough:** Mr. Chairman, it begins to look as though probably I have been labouring under a misapprehension. All along I have thought that the Minister of Citizenship and Immigration was probably responsible for some of the reports which come to me from abroad, and from some of the people who come to this country from abroad. Now I am inclined to think that, after all, he is innocent, and that the particular misdemeanour may lie with the Department of Labour.

I have people come to my office telling me that in various places in Europe, as well as in London, England, they were painted glowing pictures of what was available for them in Canada. Then they come here and find out there is no work at all for them. It is difficult to nail these things down, but I must say that I have always blamed the Department of Citizenship and Immigration. But after what has developed here I am beginning to wonder just who is to blame; and I would like to know.

**Mr. Abbott:** All very confusing.

**Mrs. Fairclough:** I would like to know, if I can, so that I can nail it down. Someone overseas is definitely giving a very glowing picture of what conditions are in Canada; but when these people come out here they find there is no work available for them. I think there should be some explanation. Someone should be able to tie this right down to an individual, somewhere.

**An hon. Member:** Oh, oh.

**Mrs. Fairclough:** You do it, if you are so smart.

**Mr. Harris:** Mr. Chairman—

**Mrs. Fairclough:** I was not referring to the minister. I meant one of the members in the back row.

**Mr. Harris:** I will be glad to explain the responsibility and the chain of command in connection with immigration when we come to my estimates.

**Mr. Fulton:** When will that be?

**Mrs. Fairclough:** The minister will say it is the Department of Labour when he comes to his estimates.

**Mr. Pallett:** There is an item of $325,000 for transportation costs. Can the minister tell me how much of that is recovered?

**Mr. Gregg:** None.

**Mr. Pallett:** To what travel particularly has it reference? Is that paid for bringing immigrants to jobs in this country?

**Mr. Gregg:** From the time they arrive at the port to their place of work.

Item agreed to.

Unemployment insurance commission—

*195.* Administration of the Unemployment Insurance Act, 1940, including expenditures incurred in connection with the activities of the national employment service as delegated by the Minister of Labour in accordance with section 97 of the act, $23,122,859.

**Mr. Carter:** Is the minister in a position to make any further statement in respect to unemployment insurance to fishermen or wage earners or any scheme that may benefit small self-employed operators?

**Mr. Gregg:** A group of officials are working at the present time and looking into the position of workers in agriculture and in the fishing industry in relation to unemployment insurance. I should add perhaps that as far as fishermen are concerned, the officials are considering the position not only of wage earners but also of sharemen and own-account fishermen. Hon. members will appreciate that this is not a simple problem, and there are a good many matters which have

to be taken into account before any decision is made as to whether it would be possible to extend coverage to them. Until a report is made and considered by the government it is not possible for me to say whether coverage can be broadened to include all these workers.

**Mr. Noseworthy:** I have two questions on this item, Mr. Chairman. The first one I asked at the beginning. Can the minister tell us whether there is any likelihood or possibility of the department making it possible for unemployed, who have accumulated an unemployment insurance backlog, to draw on that fund, although the present restrictions regarding the number of days per month are not complied with? It is pretty difficult for unemployed who are in desperate circumstances and who over the past years have built up a sizeable sum of unemployment insurance to find that they can only draw a part of it because of the department's regulations.

**Mr. Gregg:** I am sure the hon. member will agree that the unemployment insurance plan must be kept actuarially sound, but I will take his remarks of the early part of the evening as well as those now and have them reviewed by those who are at present studying the act.

**Mr. Noseworthy:** This is my second question. I notice in the details that we have a few well-paid personnel in the unemployment insurance commission and the administrative offices. A few of them are in the $7,000, $8,000, $10,000 and one in the $12,000 class. I notice that there are about 165 office managers who apparently never get out of the $3,000 class. They may get up to something over $3,000, but they never get up to $4,000 or in the $4,000 class. I know a considerable number of those managers. They have to be bankers, accountants, public relations men, public welfare officers; they have to combine a dozen different vocations in one to manage some of these large unemployment insurance offices. Is the department giving any consideration to stepping up the salaries of these 165 managers, all of whom are still either in the lower $3,000 or middle $3,000 brackets?

**Mr. Gregg:** These have all been considered during the past year and of course the civil service commission has taken into consideration the work load of the office and all the factors that my hon. friend is concerned with.

**Mr. Knowles:** Is the unemployment insurance commission, or any other section or officials under the jurisdiction of the minister, giving any serious or detailed study to the question of a guaranteed annual wage? The minister knows that that is now a major question in the field of labour-management relations.

**Mr. Gregg:** No, not any more than I am sure my officials in the department and the commission give study to anything that affects labour, but certainly are not giving any study to it as something that should be sponsored by my department.

**Mr. Knowles:** I shall just make one remark. I suggest that in this department where a great deal of study is made of many matters, where a great deal of serious research is carried out, a very serious study should be made of this question. I suggest it is the coming issue, indeed it is here now, this feeling on the part of labour and on the part of workers. My hon. friend, the Secretary of State, can mutter if he wishes, but he is on a guaranteed annual wage, as are many professional and salaried people. Industrial workers feel that they too are entitled to a guaranteed annual wage. I urge that this matter be considered.

**Mr. Pallett:** Can the minister tell the committee how many people who once paid unemployment insurance are now no longer paying it? By that I mean students, single girls who got married and people who went from the salary classification which required them to pay unemployment insurance and thus graduated from that classification. Can the minister give me that figure? Can he also indicate to the committee how much money is represented by the amounts that they have paid in which they are not now entitled to draw on by reason of their having discontinued paying in?

**Mr. Gregg:** I do not think it answers my hon. friend's question, but the percentage of Canada's working force now under the act is about 75 per cent. It would be impossible for me to say how many of the other 25 per cent is or would like to be. All I know is that some of them would be, but I do not think that answers the whole of my hon. friend's question.

**Mr. Pallett:** Did I understand the minister to imply that no records are kept of people who have paid into this unemployment insurance fund and now are no longer paying into it? That was the question.

**Mr. Gregg:** No, they may have left the country. We have no means of keeping track of them after they disappear from our records.

**Mr. Barnett:** I should like very much to make some extended remarks on the question of the unemployment insurance commission.

However, I have on one or two previous occasions expressed some of my views as to in what direction I feel the present act should be extended. I do not propose to take the time of the committee at any length at this time. While I am on my feet I should like to say a word in support of the remarks expressed by the hon. member for York South in regard to the heavy load which many of the local unemployment insurance office managers are carrying today, with their manifold responsibilities, and to suggest that I too feel serious consideration should be given to the possibility of making that office one which does lead to something of a higher level of income than at present applies to them. I feel that in large measure the whole success of the operation of the Unemployment Insurance Act, particularly in the matter of personal relationships and the general feeling toward it in the communities scattered across the country, depends so much upon the personality and efficiency of the person who holds that office. I must say I have had a very good experience in dealing with persons in that position.

One other matter on which I was prepared to ask the minister questions relates to the extension of the unemployment insurance benefits to quite a large section of the workers of Canada who are in the fishing industry. I was very pleased to see that the hon. member for Burin-Burgeo has indicated some interest in the matter. I listened with interest to the statement the minister made and I realize there are some practical difficulties in the way of achieving this end. However, I am firmly convinced that these practical difficulties are not insurmountable and I trust the minister will give very serious consideration to the question of bringing these people in under the benefits of the Unemployment Insurance Act. I might point out that there are a good many workers in various fields engaged in various forms of piece-rate work who are covered by the provision of the act, and there are workers in other fields whose employment is not always of a very regular nature for whom ways and means have been found of bringing them under the act. I hope that by the time we come to consider the estimates of the unemployment insurance commission next year there will be some scheme in operation for bringing fishermen under the provision of the act.

Item agreed to.

*197.* To provide for the transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $75,000.

**Mrs. Fairclough:** I wonder if the minister could tell us exactly how much was spent in providing for the transfer of labour as described in this item?

**Mr. Gregg:** As I outlined at the commencement of my remarks this is mainly a revolving fund. Last year $192,000 was spent out of the basic $75,000 which was voted. In other words, the fund revolved to that extent.

**Mrs. Fairclough:** The minister has mentioned the figure of $192,000 but looking at the details on page 246 it is very difficult to discern the actual amount spent. Can the minister give us any details showing how this figure of $192,000 is arrived at as compared with the appropriation of $75,000. There is an item marked "estimated total, $6,000" on page 246.

**Mr. Gregg:** That was made up six months ago. At the end of the fiscal year, March 31, 1954, the total debt outstanding was $165 out of a total of $191,493.55 that had been advanced.

**Mrs. Fairclough:** I find that extremely confusing. According to the details at page 246 the actual expenditure up to December 31, 1953 was $18,287, which is patently someone's guess, and then the estimated total for 1953-54 is $6,000. The minister mentioned a total of about $192,000. But the appropriation last year was $75,000 and the appropriation this year is for the same amount and bears no relation whatever to the figure the minister mentioned.

**Mr. Gregg:** It is a revolving fund used over and over again. At the time the estimate was made the amounts owing by people to whom money had been advanced was $18,000 and the most recent figure was $165.

**Mrs. Fairclough:** Then I understand that this is a revolving fund of $75,000 and there is $165 in the fund so there is some $74,000 owing to the government at the moment.

**Mr. Gregg:** It is the other way around.

**Mrs. Fairclough:** There is a credit of $75,000 and you tell me that you received $165 so that means there is over $74,000 outstanding.

**Mr. Gregg:** No, the amount outstanding is $165.

**Mrs. Fairclough:** But you had $75,000 in the fund originally.

**Mr. Gregg:** We received that back except for $165.

**Mrs. Fairclough:** Why do you appropriate $75,000 every single year? You have an

appropriation of $75,000. What do you do with it? Do you split it up at the end of the year?

**Mr. Gregg:** It lapses at the end of the year.

**Mrs. Fairclough:** I am not naive enough to think that $75,000 can rattle around without falling some place. What happens to it?

**Mr. Gregg:** It goes back at the end of the year.

**Mrs. Fairclough:** Then you appropriate that amount again?

**Mr. Gregg:** Yes.

Item agreed to.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—
*210.* Departmental administration, $470,422.

**The Deputy Chairman:** Hon. members will find this department starting at page 33 and the details outlined at page 258. Shall the resolution carry?

**Mr. Nowlan:** Is the minister going to make a statement at this stage with reference to the work of the coal board?

**Mr. Prudham:** Mr. Chairman, I think when these estimates were before the committee some months ago I requested that we deal with the Department of Mines and Technical Surveys and then the coal board afterwards. I think there was agreement on it at that time.

**Mr. Nowlan:** At that time it was understood, I believe, that the coal board would be dealt with first. I was not here at that time but I have heard some discussion about this matter since, and in view of the fact that tonight we are working under some pressure I think it might be advisable that the departmental estimates be considered as a sort of packaged deal. I think it would be better if we dealt with the whole thing at one time, and I think if the minister has a statement to make it would be better if he made it now rather than later.

**Mr. Prudham:** Mr. Chairman, I feel quite sure we would make better time if we dealt with the coal board separately.

**Mr. Gillis:** Mr. Chairman, I agree with the hon. member for Digby-Annapolis-Kings. The minister's estimates were before the house a couple of months ago and at that time the coal question was a pretty serious one and the cabinet had it under consideration. The minister suggested we leave that question alone until such time as he was in a position to make a statement arising out of cabinet consideration.

[Mrs. Fairclough.]

But that is ancient history now. There is not any doubt that the minister is likely in a position now to make a statement as to what the government's policy is on the whole matter of fuel. I think it would be just as well if he could make that statement now and then we could discuss it. Then when we get over this item we could run through the other items very quickly. But if we are going to stick, as I think we are, on that controversial subject, I think that is a good way of tying all of the items up.

**Mr. Prudham:** I can make a statement on coal when we reach that item but as there are various officials here I think it would be much better to deal with the items of the Department of Mines and Technical Surveys first and then deal with coal.

**The Deputy Chairman:** Perhaps if I might interject at this point, I might say that my recollection is this. I have not the reference before me but I think it was more or less agreed in the committee the last time that this specialized item would come under its own heading on account of the availability of the technical advice which would be here at that time. I might point out that owing to the practice that we have been carrying out I do not feel that I have any right to prevent any member from discussing the coal board on the first item if he wishes to do so. But I might say at the same time that neither am I in any position to compel the minister to make a statement on the coal board before that item is reached. I think we have found with several of the departments that when we have one rather major item included in the first item and two or three members speak on it—it may be the coal board or something else—and then two or three members speak on some other branch of departmental activities in which they are interested, generally speaking there is someone who wishes to speak on the coal board again and the result is that the debate is not too orderly. In order to work out a procedure that might be suitable to all it was thought that in a case like this it would be better if, when we call the coal board, we discuss coal; and we certainly could not be discussing anything else. However, I am in the hands of the committee. Resolution 210 is before the committee.

**Mr. Gillis:** I should just like to ask the minister this question. The reason the minister wants to leave this coal question alone tonight is that the officials are not available. Is that it?

**Mr. Prudham:** The officials are in the gallery but there are two deputy ministers

involved. I should like to have the coal officials here when we are discussing coal. I do not think it is an unreasonable request. I think it would be in the interests of the committee to consider these two departments separately. It was only about two years ago that the coal board was attached to the Department of Mines and Technical Surveys or at least at that time I was made responsible for it. Prior to that time the coal board had no connection with this department. As I have said, there are two deputies involved. In order to promote an orderly discussion of the estimates, I think that is the way it should be handled.

**Mr. Gillis:** The minister means that there are two deputy ministers who are not available tonight?

**Mr. Prudham:** Yes they are available. They are here in the gallery.

**Mr. Gillis:** Is there any reason why we cannot call the coal item first?

**An hon. Member:** Let us deal with the first item.

**Mr. Gillis:** Just a minute. On the minister's first item, as was indicated by the chairman, any matter that comes within the scope of his department may be discussed; it is in order to discuss any such matter as far as the House of Commons is concerned. It is a couple of months since the members of the house, with regard to the coal industry—and it was facing a crisis—co-operated with the minister to the extent of leaving the matter alone because of a reasonable request at that time when the cabinet were working on the details of the matter. However, it is entirely up to the hon. member for Digby-Annapolis-Kings, if he wants to go ahead with the discussion tonight. As far as I am concerned, I would just as soon make my statement now, but I should like to hear the minister announce government policy first with regard to the coal situation.

**Mr. Prudham:** If the committee wishes to discuss coal first, it is quite agreeable to me that we should do so; but I do not think we should combine the two matters.

**Mr. Gillis:** Let us call the coal board estimate.

**Mr. Knowles:** I wonder whether I cannot make formally the suggestion which I think is in the mind of the hon. member for Cape Breton South, namely, that item 210 stand and that you call item 237?

**Mr. Dickey:** Let us pass item 210.

**Mr. Knowles:** It is all right if the committee wants to pass item 210, and then call item 237 so that hon. members, if they wish to discuss coal, will be able to do so.

**Mr. Abbott:** Item 210 carried.

**The Deputy Chairman:** While the committee is in charge of its own procedure to some extent, I should like to know the views of the minister who is to pilot these estimates through the committee. I should like to know whether he would prefer to have item 237 called at this time or not.

**Mr. Nowlan:** Naturally, Mr. Chairman, I am not going to insist on any particular procedure. As the hon. member for Cape Breton South has said, this is an item that has stood over for a long while and it stood at the request of the minister. He said he wanted to be in a position to announce government policy. I think he should be able to deal with this matter now and to deal with the coal board estimates. But if it is the unanimous wish of the committee to do otherwise, that is all right. I certainly do not want to waste our time talking about procedural matters at this stage. If it is the unanimous wish of the committee that we defer discussion of coal until item 237 is called, that procedure is satisfactory to me. I think we should adopt the suggestion which has been made and call that item now. But if it is not the unanimous wish of the committee to do so, I will not discuss the coal board at this time.

**Mr. Knowles:** Mr. Chairman, I wonder whether you would ask the committee whether item 210 is now agreed to on the understanding that the next item to be called would be item 237?

**Mr. McCann:** No. Take them in consecutive order.

**Mr. Gillis:** Let us go on and discuss coal.

**The Deputy Chairman:** Has the Minister of Mines and Technical Surveys any reply to make to the suggestions made from the opposition?

**Mr. Prudham:** Mr. Chairman, I still maintain that we should either discuss coal or take the items in order. I do not think we should mix up the discussion of the coal board with discussion of the estimates of the Department of Mines and Technical Surveys. I think it would contribute to orderly discussion if we kept these matters separate.

**The Deputy Chairman:** Is it agreed that I call item 237?

**Some hon. Members:** No.

**Some hon. Members:** Agreed.

**Mr. Prudham:** Mr. Chairman, I would suggest that we now deal with the items of the coal board. Perhaps that would meet the wishes of the committee.

Item stands.

Dominion coal board—
237. Administration and investigations of the dominion coal board, $114,380.

**Hon. George Prudham (Minister of Mines and Technical Surveys):** Mr. Chairman, I propose at this time to make a résumé of the operations of the coal board and to try to give as clear a picture as I can of the state of the coal industry as it exists at the present time. Canada is still a young nation and is at an early stage in the development of its resources. To some it may seem rather unfortunate at this time that our resources of fuel are so far removed from the main markets. But, as Canada develops industrially, and with the spread of industry from central Canada, the distribution problem with regard to fuel supplies will lessen.

However, for those of us who are living today in the present formative era, effective distribution presents a serious problem. The federal government during the past 26 years has assisted coal movements in Canada by freight subventions. The rate and the variety of these subventions have varied from time to time to meet changing conditions. Through two world wars the contribution made by the Canadian coal industry to the national defence effort has at least partly justified these expenditures of public funds.

Since 1948 with the discovery of oil and gas in Alberta, Saskatchewan and British Columbia, and with the increased supplies of oil from other parts of the world, severe competition has been experienced by the coal industry in Canada and for that matter in the United States and other parts of the world.

In western Canada, the Canadian National Railways passes through oil fields; and heavy oil suitable for locomotive use is available in large quantities at low cost. As a result the Canadian National Railways has converted the greater part of its remaining steam locomotives to oil and within a year the system will be burning very little coal on its lines west of the great lakes. The main line of the Canadian National Railways between Edmonton and the Pacific coast is now completely converted to oil locomotives and diesels. Many of the mines in central Alberta were almost entirely dependent on sales to the railway company and, as a result of this recent development, these mines are now nearly all closed.

[The Deputy Chairman.]

In southern Alberta and British Columbia, where the main producing area is in the Crowsnest pass, the Canadian Pacific Railway has followed a different policy. In the first place, the Canadian Pacific Railway is further removed from the sources of oil and it would therefore find it less profitable to convert to oil. The C.P.R. still continues to buy over 1½ million tons of coal for locomotive use per year. I understand the Canadian Pacific is not buying any United States coal for use on its lines west of the great lakes, and it is even hauling Canadian coal eastward from its coaling point at the head of the lakes. As a result the coal mines of the Crowsnest pass, although facing stiff competition from oil and gas in the domestic and commercial fields, have still a basic market in the C.P.R. requirements. A steady decline in the purchase of coal by both railways can be expected.

Recently there was a mine casualty at Coleman, Alberta. The Coleman collieries international mine is now closed, presumably on account of the lack of markets. Another factor in this situation is the existence of a second mine operated by the same company but which has a very short life expectancy. By closing the Coleman international mine at this time and concentrating on the mine with the short life the company will be able to recover a maximum amount of coal. This they could not expect to do effectively by a less concentrated effort. Meanwhile the international mine is being kept in repair and when the mine being operated at the present time is exhausted the working force will be transferred back to the international mine.

Once coal is extracted it cannot be replaced, and inevitably the time comes when a mine is depleted. People engaged in mining operations always face the hazards of disruptions and of making adjustments when a mine is closed. Recently the Alberta government passed a coal marketing act. I understand that the coal mining operators were consulted in this connection and assisted the provincial government in working out and drafting the provisions of the act. This legislation provides for classification of the various types of coal produced in the province. It also requires that coal offered for sale must be labelled as to grade and analysis. This year the federal government is relating its subvention policy to the provisions of the Alberta coal sales act.

Generally speaking the coals of the prairie section of Alberta have a high moisture content, are friable and have a relatively low b.t.u. value. Most coal mining on the prairies is now carried on by stripping

methods involving the use of power machinery and a relatively small working force.

Coals in grade 5, Alberta standards, have been completely removed from eligibility for subvention aid. Strip mining operations in grade 4, which includes coal produced in the Drumheller valley, have also been declared ineligible for subvention assistance. Briefly, coals eligible at the present time for subvention aid are produced by underground mines in the Drumheller and Lethbridge areas and from the foothills and mountain mines.

Coal operators have estimated there is a market for western steam coal in northwestern Ontario to the extent of about 100,000 tons a year. The subvention rate last year was insufficient to permit western coal to compete in that market with United States coal. The subvention rate was raised by a recent order in council to the extent of 65 cents per ton additional to enable Canadian mines to meet this competition. The rate in that area is now $3.50 per ton.

The domestic market for Alberta coal in Ontario has always been restricted by the fact that much of the western coal shipped east was of comparatively low quality and would not store in the open without disintegration and danger of spontaneous combustion. The change in regulations, eliminating the lower quality coals from subvention assistance, should take care of that factor.

Another handicap to efficient marketing of western coal in central Canada is that up to the present time there has been no central selling agency. I was pleased to learn that coal operators in the west are now in the process of setting up such a selling agency. This agency would have the responsibility of marketing the bulk of western coal shipped to central Canada. By this arrangement coal will be sold on grade, possibly under trademarks, and customers will be able to buy with confidence.

Another encouraging feature of the marketing problem is that Alberta and British Columbia coal mining companies have been successful in negotiating a five year stabilized freight rate with both railways. Another stabilizing factor is indicated, I believe, by a news item which I saw the other day that the unions have agreed to forgo any increase in wages for the coming year. This will enable the mines to proceed with marketing arrangements with a degree of stability and confidence that has been lacking heretofore. In the west the production per man day is relatively high, production per man day in Alberta and British Columbia mines being approximately 4·79 tons per man day.

Turning now to the maritimes, in which the hon. member for Cape Breton South is particularly interested. The major part of the coal mining industry is in Nova Scotia with a relatively small portion in New Brunswick. The main problem as I see it is the high cost of production. The production per man day in the maritimes is very low, being two tons per man day or less. In that area a great many of the mines extend out under the ocean for several miles with resulting high transportation costs and loss of time between the pithead and the working face.

Following the war the Carroll commission studied the problems of the Canadian coal industry, and one of the recommendations of that commission was that the federal government should assist in the mechanization of the maritime coal industry. A fund of $10 million was established to be lent for that purpose. Immediately following the war the American coal industry, which is the chief supplier of coal requirements of central Canada, embarked on an intensive mechanization program which was completed in a comparatively short time.

The mechanization program in Nova Scotia has been delayed for various reasons until it is now at least two and a half years behind schedule. One result is that American coal is now competitive even in the home market in the maritimes. While American coal has decreased in price since the war, the price of Nova Scotia coal has continued to increase. During the period from 1948, when the mechanization program was started, to 1953 the actual cost of producing a ton of coal by the major company in the area increased approximately $2.25 a ton.

The mechanization program by the Dominion Steel and Coal Corporation, although considerably behind schedule, has made progress. One of the main efforts was the production of a mechanical miner. This miner was developed in the machine shops of Trenton Industries and is now at the production stage. Some fourteen of the machines are in actual operation and it is anticipated that within a very short time there will be a total of twenty-seven. I had the privilege of seeing this machine in operation and it literally throws out a river of coal. I am told that it can produce as much as 500 tons in an eight hour shift. This machine is a credit to the ingenuity and resourcefulness of Nova Scotia engineers and workmen.

I believe that some very noteworthy progress has been made in coal preparation and cleaning, especially at Old Sydney mines. I am told that the cost of production has levelled off and is showing signs of a decline this year. At the present time the Dominion Coal Company is making a careful study and

reassessment of the original mechanization program with a view to modifying it, if necessary, to meet changed conditions. As yet the coal board has not received the final report from the company.

Several of the smaller independent companies have taken advantage of the mechanization loan and have installed machinery with very satisfactory results. In any discussion of the over-all problem in Nova Scotia we should keep in mind that the Dominion Coal Company and its subsidiaries produce about 90 per cent of the total output of coal and employ about 81 per cent of the labour. In considering the problems of this company's operation, therefore, we are dealing with the major problems of the Nova Scotia coal industry.

As I said before, the main problem of the industry is the high cost of production. Although the subvention assistance administered by the dominion coal board is providing a market for coal produced in that area, nevertheless the industry is vulnerable because of the high cost of production. This is true, even in the maritimes, where markets are being lost to other types of fuel. It is estimated that there are 90,000 oil burning installations in Nova Scotia.

I spent about a week in the coal fields of Nova Scotia and New Brunswick last November. My observation at that time was that the people of the area were not supporting the coal mining industry as they should, because it is by far the largest single industry in that area. I was very surprised to see oil and propane gas tanks serving residences, business premises and industrial establishments. It is estimated that oil has displaced at least half a million tons of coal per year in that area.

Now, Mr. Chairman, this is a free country and one cannot blame anyone for burning oil or more convenient types of fuel if he can afford to do so. However by burning coal in their homes, offices and factories the people of Nova Scotia can help to stabilize this important industry on which their basic prosperity depends. The development of modern coal stoking and burning equipment has gone a long way towards making coal just as convenient to use as the liquid or gas fuels. Consumers, coal dealers, furnace equipment companies and chambers of commerce can do much to promote the use of coal. They must realize that if the coal industry is lost, the whole economy of the maritimes will suffer.

Further, I believe that the management of industries should consider very carefully the risk of converting from coal to oil, because I believe they would probably reach the conclusion to stay with coal. In the event of a war or an international emergency, supplies of oil would be endangered and quite possibly cut off. I know that some major industries have already decided to continue to use coal just for that reason. Recently a large delegation, including the ministers of mines for Nova Scotia and New Brunswick and their advisers, Dominion Steel and Coal Corporation officials, representatives of two unions and two independent operators associations, came to Ottawa to discuss ways and means of solving the problems of the industry. One of the main results of that meeting was the establishment of a committee with representatives of the unions, companies, provincial governments, various boards of trade and similar organizations through the area to promote the more efficient and extensive use of coal.

On May 20 I attended a gathering in Halifax sponsored by the provincial government for the purpose of initiating a province-wide campaign to enlist the support of the community for the greater and more efficient use of coal. The meeting was well attended and it was quite evident that the people of the area were beginning to realize that the future of the industry depends largely on its own efforts, and the continued support of the community.

Employment in the Nova Scotia coal industry has been relatively high, as compared with the United States or other parts of the world. The subvention policy, administered by the dominion coal board, has provided a market for all the quality coal produced in that area since the war, and that condition obtains for this year as well. But, as I told the meeting in Halifax, if the industry is not supported in its home market it becomes increasingly difficult to justify continued aid from the taxpayers of Canada. I believe that if the people of Nova Scotia and New Brunswick meet the challenge of lowering the cost of production and supporting the industry in the home market, they will soon put the industry on a sounder basis.

There is a long history in the maritime coal industry, according to rumours I have heard, of difficult labour-management relations. But I am convinced, from personal observation and regardless of the past, that there is presently a good relationship between management and labour and a growing sense of responsibility. I am convinced that both management and the executive of the unions are very sincere and are doing their best to work out the salvation of the industry. If the present campaign to enlist the support of consumers is successful, it will help, not only to preserve the home market but to

provide much needed encouragement for those who are struggling directly with the problem.

The dominion coal board has engaged the services of Dr. A. G. Christie, professor emeritus of the Johns Hopkins University, who is an outstanding expert on thermal power development, to make a survey of the power establishment and potential of the maritime provinces with a view to promoting the greater use of coal in the production of cheaper power. He is presently engaged in that survey and the report will be made available to provincial governments and private industry. This is being done on the theory that the production of power will consume more coal, and cheaper power will attract more industry which will also enlarge the market for coal. We are hopeful that Dr. Christie's report will lead to beneficial results.

The Mordell project to develop a coal-fired gas turbine is in its third year. The results to date have been satisfactory. The machine is presently in operation for testing purposes. The results are being carefully studied with a view to the next step which will be practical application. The results are being carefully watched by the railroads and other industrialists. Similar experiments are being carried on in Great Britain and the United States and their results are being carefully checked with experience gained at McGill.

Our laboratories at the fuels division of the Department of Mines and Technical Surveys are continually experimenting with coal combustion problems, relating to the Mordell experiment and other enterprises, and also new uses for coal. The experiment carried on in the fuels division are closely co-ordinated with other efforts throughout the world, and with other efforts throughout Canada by provincial governments and others. The experiments in this field require large capital investments in equipment, and in planning the work of the department an effort is made not to duplicate work done by the provinces or by other agencies in the United States and Great Britain. At the present time the fuels division is carrying on an experiment which was initiated by the United States bureau of mines and discontinued at the time of the last change of administration.

Although there have been no recent spectacular results to report, the field of research is not being neglected. Two-thirds of the funds available to the fuels division of the Department of Mines and Technical Surveys are being spent on coal research. There is now a staff of approximately 50 engaged in this work. The annual cost of coal research to this department is $332,750 for this year, including the Mordell project.



I believe that the provincial government of Nova Scotia and others in the industry are giving careful study to the possibility of heating by electricity. This would indirectly promote greater use of coal, and would perhaps provide the answer to oil competition for domestic heating. Our country is expanding rapidly. If Canada reaches a population of 22 million by 1975, we will require for all purposes at least 2·5 times more fuel than we now use. Although the coal industry is now fighting for its life, I am sure that within a few years coal will play an increasingly important role in the supply of energy and fuel. We believe that it is in the national interest to extend support to this industry for the year 1954.

Before resuming my seat I should like to pay tribute to the dominion coal board, and also to the permanent staff of the coal board. The members of the dominion coal board serve without pay and come here several times a year to assist the government in the problem of administering the subventions, the problems of research and the over-all problems of the industry.

**Mr. Nowlan:** Mr. Chairman, I appreciate the statement the minister has given dealing with the problems of the coal industry. Certainly I am not in a position to comment on the suggested program he has brought forward—or possibly failed to bring forward, I am not sure which—with respect to the Alberta and western coal industry. That is a matter in connection with which I am sure hon. members from western Canada can make comment, when they see fit to do so.

But I must say, so far as his proposals for the coal industry of the east are concerned, that we have not been furnished with a particularly sumptuous fare tonight. After all, these discussions were delayed from March until now so that the minister could give us an announcement of government policy. And having heard that announcement we find that Dr. Christie has been retained to make further research studies in the use of coal. We appreciate any research that is to be conducted; but that is not very much to offer an industry upon which the whole life of the maritime provinces depends.

The minister has also commented on the fact that Nova Scotians must support the coal industry, and has also said that he was down there recently attending a dinner given in Halifax. I shall comment upon that dinner in a few moments. I think possibly the sumptuous fare he received that night was on a more generous scale than he is proposing to offer to the industry at the present time. Because apparently he was impressed by the argument which was advanced that night,

that Nova Scotians must burn more coal if the industry is to survive. And we realize that in that province there is a responsibility on everyone to support an industry which means a great deal to the province. But that, in itself, is not a solution. If I recall his figures correctly, the minister said a moment ago that about 500,000 tons has been supplanted by the installation of oil burners in the maritime provinces, and 500,000 tons is no mean amount. I grant that. But that, in itself, is no answer to the problem.

One would hesitate at this late hour of the night and late date in the session to take the time of the committee to deal with this problem, were it not for the fact that this is of vital interest to the people of the maritime provinces. Not only is it of vital interest to the people represented by my hon. friend from Cape Breton South, and other constituencies in that area, but it is also vital to all of us in the maritime provinces. It is vital to the hon. member for Queens, Prince Edward Island, and to the hon. member for Charlotte, in the extreme southwest corner of New Brunswick. It is of vital interest to the Annapolis valley; for the economy of the maritime provinces, to a greater or lesser extent, is reflected in the prosperity of the industrial area of Cape Breton. And if that area goes down, or is prejudiced to any material extent, then we are all prejudiced. And that is why I do not apologize for speaking at this time.

The minister has referred to a dinner he attended. I read a press report concerning it and, if I recall correctly, the minister of mines in Nova Scotia said at that dinner that the coal industry brought directly to Nova Scotia more money than is received in that province for family allowances, old age pensions, and all the cash payments made by the dominion treasury to the provincial treasury of Nova Scotia, which is a very substantial amount of money. One can easily see what that means in the purchase of agricultural products and everything else in the maritime provinces.

There is no doubt that the coal industry as a whole is in a bad way. One does not have to reinforce that statement with figures. I have some figures which are published by the minister's department and which show a reduction in the consumption of coal—a reduction not only in Nova Scotia. The minister has said that Nova Scotians must save the coal industry. Well, look at the consumption of Canadian coal as a whole and you will find, using round figures, that in 1949-50 the nation consumed 19,726,000 tons, that in 1951 that amount had fallen to 18,400,000 tons and that by 1953-54 it is estimated that it is going to fall to 15,500,000 tons. In other words there is a fall of 4 million tons in the last two years in the consumption of Canadian coal by the nation. And a substantial part of that reduction comes of course from the use of American coal. There are various explanations offered. The minister has suggested that one reason has been the installation of oil burners. I know people are inclined to blame the railways for the installation of diesel engines. Indeed, sometimes I have indulged in some such criticism, myself.

I noticed the other day, in reading the evidence of Mr. Donald Gordon before the committee of this house, that he gave figures to show—and I shall not repeat the figures at this time—what the dieselization had meant in a reduction in the consumption of coal in Canada. And, although it is substantial, it is not such an impressive figure. He made this positive statement, that the Canadian National Railways could and would buy every ton of coal produced by the maritime mines, of adequate quality, if the price was right. In other words he indicated that it was not a matter of coal being supplanted by dieselization, but that to a certain extent at any rate it was a matter of government policy, as to whether the government-owned railway was prepared to buy coal from our mines at this time.

That is something I would impress upon the minister, as well as the fact that Nova Scotians must burn more coal. We have to consider how many government institutions have supplanted coal-burning installations with oil-burning, and how much coal is being burned by the railways today, or could be burned.

I say again it is not a matter of dieselization so much as it is one of government policy as to how much coal will be used. And this is not the first time that the coal industry has faced a disastrous situation. My memory goes back, as I am sure the memory of the hon. member for Cape Breton South does, to earlier days in Nova Scotia when the mines in that province, as it was then said, were facing disaster. And whatever one may say of a company which today is operating 90 per cent of those mines, certainly one can say at least that the labour situation is vastly improved over what it was in the twenties. I recall a time when special mounted police were requested by the Nova Scotia government to ride down miners on the streets because they were protesting against unemployment, and the virtual starvation which was in existence at that time.

The consumption of Nova Scotia coal at that time was down to a matter of a few

hundred thousand tons, and I think it is only right to say that it was due to the energy, the courage and the imagination of two men, and those who were associated with them at that time—the Right Hon. R. B. Bennett, who was then prime minister of Canada, and Gordon Harrington, then premier of Nova Scotia, and the minister of mines—that that situation was solved.

We find, for instance, that in 1931 and 1932 only 413,000 tons of maritime coal moved outside for consumption. In face of that disaster the Bennett government, at the request of the Nova Scotia government, increased subventions materially, and as a result the consumption of Nova Scotia coal jumped in the next year or two years later to 1,600,000 tons, an increase of over 400 per cent, and went on from there to over 2 million tons. Even today it is still at the level of 1,600,000 tons. That shows what can be done by, as I say, imagination, energy and courage directed toward the solution of the problem.

I am not suggesting for one moment, Mr. Chairman, that increased subventions are going to solve this problem, except to a minor degree; but it was used as a solution at that time, and it proved successful. It gave to the industry what one might call a shot in the arm, which pulled it out of the slough into which it had fallen. We had a reorganization of the company; we had better labour relations, and as a result we went on until we came to the situation with which we are confronted today. I believe that again something can be done to improve this situation if you have imagination and if you face the situation realistically.

In its report the coal board set forth what it believes must be the solution of this problem. I will not read it. At page 13 we find the following:

> That the Canadian coal mining industry is vital to our national economy is axiomatic. The best approach to these problems appears to be by way of concerted courses of action by the federal government, the provinces and components of the trade itself.

What is the future? Is there a future for this industry? I think the minister, by his own departmental officials, establishes definitely that there is. The other day we listened to the Minister of Trade and Commerce speaking in this house. He was dealing with atomic energy. He outlined the demands for increased electrical energy in this country which were to follow if Canada pursued the normal course of development. Without checking on his figures, as I recall them, he stated that by 1975, if Canada had developed every bit of hydroelectric energy which would be available, including the proposed development of the St. Lawrence seaway, we would still be 10 million horsepower short of full requirements of the development of industry, and he suggested that some of that would come, he hoped, from atomic energy. I hope he is right. But why concentrate on the development of atomic energy for this purpose? I think that a large amount of that power could come from a further utilization of coal.

The minister paid tribute to the officers and members of the dominion coal board. I join in that. I hold in my hand a speech which was delivered to the mining institute by Mr. O'Brien, who was assistant to the chairman of the dominion coal board. He deals exhaustively with the situation as it is today, and points out that the total consumption of Canadian coal this year has dropped down to 15,500,000 tons. He says it is going to drop still further. He fears it may take a substantial drop. Do not forget that the total, including United States imports, was 32 million tons. He goes on to say that on the basis of any reasonable estimate, and I think his estimates are reasonable, it would appear that by 1965, and that is not very far away as time goes, we are going to use 45 million tons of coal in this country. That is going to tax the coal-producing facilities which we have today. Therefore I say this is a matter of national economy, not only from the standpoint of saving the economic framework of the maritimes but also from the standpoint of the nation as a whole; it is essential that we safeguard this mining industry.

I do not have to tell you, Mr. Chairman, that a mine is not like a restaurant. You cannot close it up today, put a padlock on the door, go away and come back ten years from now, clean out the spiders and cobwebs, put in a new stove and start operations. You have to maintain those facilities.

The minister has told us about our mines being expensive. We realize they are based under the sea; we realize that the seams go down under the sea. We realize also there are problems of flooding, and the rest of it, which once allowed to get away from us would be almost insuperable to deal with in the future. Therefore I say that the figures definitely establish there will be a need for Canadian coal, a great deal of Canadian coal, over the next few years. The minister says that his department realizes the importance of it. I say that if that is the case, then certainly there must be a greater degree of co-operation than we have had heretofore in the development and the maintenance of that industry.

There are many ways in which it could be done of course. There is the steel industry of the maritimes, one of the great potential markets for coal. It should be further extended and developed. One can feel a little bit unhappy about threats which one sees today in the export of ores to other parts of Canada rather than to Cape Breton where, if we had them, and under co-operation with management, a greater steel industry could be established and far more coal could be used.

The minister referred to the development of electric energy from the use of coal. He said that a survey is being made of the use of coal for that purpose. Well, power demands for energy are expanding, Mr. Chairman, but the answer to that is to provide more industrialization. If we have more industries in the maritime provinces we will need more energy, and therefore we will be able to use more coal.

I want to pay tribute to the Nova Scotia Light and Power Company for the way in which that company is burning Nova Scotia coal today and is offering a greater market for that coal in the future. I am told by engineers that oil is almost competitive with coal today. When speaking about oil potentials we must remember this. Almost half of our time in this house is directed toward international affairs and the possibility of crises; in other words, the possibility of war. Do not ever forget, Mr. Chairman, that all of the oil that comes into the eastern seaboard is brought in by ship. We have no pipe lines in the east, and we will not have them, as far as one can see, in any possible foreseeable future. We therefore cannot allow a situation to develop where our industrial life, our domestic economy, is dependent upon the importation of oil, because it might be cut off at any moment of time.

The minister referred to research. That has been discussed before. The minister has mentioned also the possibility of the turbine engine. He says that research has gone on for three years, and is going to go on further. I think it should go on, Mr. Chairman, much more rapidly. Possibly there lies the solution to a major problem of the coal industry. If they could solve the problem of avoiding the ash, the engineers say that the engine is just about ready for commercial use. That is quite possible. I have seen the engines and the engineers before the railway committee, and we read of them in other places. Once a few more kinks are ironed out, the turbine engine can produce power more economically than any other instrument known to man. If that happens you will have a demand for coal there which will solve the problems, not only of the coal mines of the east but also of Alberta and elsewhere.

I am not suggesting this in any criticism of the present minister because he was not there at the time, at least he was not the minister in that department. I am told by one who played a great part in the original research on that engine that he had to borrow—I think that is the polite term—some money from the national research board because there was not enough available for him in his own department to start the initial research on this engine which offers such great possibilities. As I said, this requires a great deal more imagination than has been shown up to the present time.

I must say I was somewhat dismayed when I read of this dinner to which the minister referred some time ago. He said he went down and had dinner in Halifax which was attended by the minister of mines for Nova Scotia. There was a great fanfare of trumpets at that time and we were told that this was a meeting to solve the problems of the industry in Nova Scotia. The business leaders from all over the province, cabinet ministers, and our own minister were all invited and Nova Scotia coal, very properly cleaned, was piled on the tablecloth at the meeting. So one can see how delicate this was. The suggestion was made that the solution to the problem lay in the removal of the oil burner by the civilian population and the reinstallation of coal.

As I said earlier, Mr. Chairman, I realize we have some responsibility in this matter, but I do not think we are going to solve the problems affecting this major industry by urging Nova Scotians to take out all oil burners and put back coal. I do not know how many of the executives and officers of the coal board who were there that night have already taken out their oil burners and installed coal. It is an interesting question and the answer would be even more interesting if you could get it. That suggestion seems somewhat analogous to farmers urging people to take the car out of the garage and put in a horse so that they can sell more hay. That possibility is about as remote as the people of Nova Scotia taking out their oil burners and installing coal, and I fear they are not going to solve the problems of the Nova Scotia coal industry in that manner. I do not think that scheme would work even if the financial representatives who were present that evening would undertake to finance the reinstallation of coal burners.

As I said, I do not think that is the solution to the problem and I hope it does not presage

any move whereby a solution will be sought along these lines so that someone can come along later on and say, "you were given the opportunity and failed to take it. Now, regretfully and reluctantly we have to do something more drastic about it." I would hesitate to think that that would happen but it is pretty hard at the moment to come to any other conclusion as to why this was done.

I do not intend to take up any more of the time of the committee. I simply want to reiterate again the importance of this industry and the fact that I believe that through these various developments on electric energy, research on the turbine engine and by other means more and more coal can be used. But ultimately the responsibility must rest on hon. gentlemen opposite because financial assistance will probably be required and I think I can say, Mr. Chairman, regardless of the political affinities, that the representatives in this house from the maritime provinces are not going to stand idly by and see this great industry cut down to such an extent that our whole economic fabric is threatened to a greater extent than ever before. Certainly the cities and towns of Cape Breton island cannot be allowed to become deserted villages and the Canso causeway, designed for the development of that area, allowed to become simply an easy avenue of escape for unemployed miners so as to get out of Cape Breton island and into Ontario. That is what it may be used for if we do not get more emphasis, more direction, and more help in that industry than is the case today.

**Mr. Gillis:** Mr. Chairman, I am disappointed that this item had to remain in the blue book until this stage of the session. I anticipated there would be a discussion on this subject much sooner than this, otherwise I would have raised it on a motion to go into supply because it is a question of great urgency and importance and I do not give the minister very much credit for the way in which he handled it.

But I am not going to criticize the minister because he is relatively new to his present position. This industry faces a very serious crisis. There was a meeting held on March 12 in this city at which representatives of the mine workers union, the coal companies, and members of the provincial government were present and the recommendations made at that meeting, so I understand, went to the cabinet. The main reason why we delayed this discussion was to give the minister an opportunity of finding out exactly what the government policy was so he could announce it in the house and lay the basis for discussion. But that announcement was never made in this house until tonight, and as far as I am concerned I am disappointed with it.

However during the period when we were waiting for the minister to issue a statement arising out of the deliberations of the cabinet the minister issued a statement to the press and I would suggest to him that in future it would be good policy for any minister in this house to make his announcements in the House of Commons before making them through the public press.

**Mr. Prudham:** Mr. Speaker, on a question of privilege. The hon. member is wrong. I am quite sure I did not make any statement to the press. What the hon. member may be referring to are the orders in council approving the extension of subventions at the same rate as last year.

**Mr. Gillis:** I am not going to argue that point with the minister. I have half a dozen clippings here from newspapers in which he is reported to have stated that the government had increased the subventions and made a sort of packaged deal with Westville, Nova Scotia, and so on. These are matters which arose out of the cabinet deliberations based on that meeting. This announcement was never made in the house. However, I guess we all make mistakes.

I want to assure the chairman and members of the committee in this house that as far as I am concerned I am not fighting for the maintenance of the coal mining industry because it provides good jobs. It is the last job I would recommend anyone to undertake as a means of obtaining a livelihood. I have done a lot of it myself and I hope that I live to see the day when it will not be necessary for men to go underground and sweat and go through the misery I have gone through in operations of that kind in order to obtain a bite to eat, and that is about what it amounts to. Therefore, I do not want anyone to think that I am pleading for the maintenance of that industry because it is a good means of obtaining a livelihood for those who are obliged to go underground and dig coal.

I am not including those who operate these coal mines and those who have investments. It is a relatively good position to be on the board of directors or in the higher echelon of officials, but as a means of livelihood for a man who has to dig coal, and I do not care whether he gets it with modern means or with the old-time shovel, it is still a long, hard, backbreaking job in which you become prematurely old at the age of 35 or 40, when your back begins to break, and then you are seeking a cure for arthritis for the rest of your life.

Another thing I am not doing is asking for charity for the people of Cape Breton island. They are pioneers. They are the stock that came to this country when there was very little in it and they chopped down the trees and built whatever there is in the way of industry and civilization in that part of the country and in other stretches of this country.

They are not the kind of people who want charity. If they have to get out, they will do so and they will not do much squawking about it. But in order to get an intelligent discussion of this problem there are two or three things that we must think about. The first one is this. We must make an assessment of the value of this industry in the Canadian economy. If it is not of any value, it should not be maintained. But if it is of some value in the economy of the country, it should be maintained just as we have to maintain wheat and other essentials.

I am first going to point out what the coal industry means to that community. The minister knows that about 30,000 people are employed there. There are another couple of thousand in Newfoundland in the iron industry. Let it not be forgotten that coal is the basis of the iron and steel industries. All of that set-up is dependent upon the maintenance of a basic coal industry. The corporation produces half of the bituminous coal mined in Canada. Its steel plant at Trenton and so on is based on coal. Coal is the main prop of the whole economy of Nova Scotia. What does it mean to Canada as a whole?

I assume that the minister and every other responsible member of this committee think that we are going to build up and to expand the steel industry in this country. Any nation that asserts that it is an industrial nation but does not develop a basic steel industry is only trying to fool someone. It is necessary to have a basic steel industry in a country like Canada. You cannot have a basic steel industry without bituminous coal. That is something that must be remembered. When there is talk about letting the basic bituminous coal industry go in Canada, it means that you are going to let your steel industry go also because you have no other fuel which will take the place of coal, whether it is oil, natural gas, atomic energy or anything else. You must have bituminous coal and you must coke it in order to turn out basic steel. So if for no other reason than for the sake of the national economy of a country that in the future will be a great industrial section of North America, in my judgment it is necessary to have a coal industry. The basis of the economy of an industrial nation is steel. The basis for steel is the bituminous coal industry. For these reasons this industry is important to this country.

The Minister of Mines and Technical Surveys is a good witness to call on the subject of the importance of the industry. In the Ottawa *Citizen* of February 4, 1954, the minister makes a very good statement. This article was written by Austin Cross, and the minister is likely to remember it. In that article written by Mr. Cross the minister points out the importance of the coal industry in the event of another war; the possibility of an increase in the coal needs of Canada; the fact that you cannot measure the oil deposits accurately; that you do not know how much you have; that there is not any assurance that it is going to last forever; that with the development of air transport and ships the use of oil is so great today that the drain on it is going to be terrific in the future; that to think about letting the coal industry go, as I mentioned a few moments ago, considering the factors I mentioned is not to be considered. The minister builds the thing up to a much greater extent. I do not want to read his own statement back to him but it is a good statement with regard to assessing the value of the coal industry in Canada's future.

There is another analysis made here just recently. Quoting the dominion coal board, this writer points out as follows:

> "Final analysis of Canada's future energy requirements," reports the dominion coal board, "indicates that the demand for coal will substantially increase over the present level from about the year 1965 onwards. A major problem facing the Canadian coal industry is how to bridge the gap between today's lowered consumption and the expected augmented demand of the future."

That is a realistic position for the coal board to take. However, there is quite a large gap there between 1954 and 1965. It is too long to keep coal miners on unemployment insurance; and if they are not on unemployment insurance, it is a long time to be hungry. The coal board is there definitely warning, as did the minister, that by the year 1965 we are going to need a coal industry. As the hon. member for Annapolis-Kings-Hants pointed out—

**Mr. Martin:** The hon. member for Digby-Annapolis-Kings.

**Mr. Gillis:** Yes; the hon. member for Digby-Annapolis-Kings. I always get that holy trinity mixed up. As I say, he indicated that closing up a coal mine is not just like closing up a restaurant or a beer parlour. If you close a coal mine—particularly one of those submarine mines—and leave it shut down for three or four months, that is the end of it. It takes in water very fast; it

fills with gas; the roof will cave in; and the first thing you know you have no mine to come back to.

Another thing that needs to be remembered is this. If you get your trained coal miners out of that industry and into something else, you will not get them back into it. A great many people proceed on the assumption that you can take anybody and put him down in a coal mine and he can dig coal. That is a wrong assumption. The Americans found that out in 1920 when they thought they could dig coal with bayonets in Colorado. Fairly soon they did not have any bayonets, they did not have any soldiers going to dig coal and they did not have any coal mine.

To become a coal miner, in a submarine mine in Nova Scotia at least, there is a certain procedure that must be followed. You are not even permitted to go to the coal face and be recognized as a coal miner or to engage in that work until you have had three years of apprenticeship. After you have had three years of apprenticeship you must write an examination and be qualified before you get a certificate. That is just the ordinary Joe who digs coal. It takes him at least 3½ years before he is allowed by law to go to the coal face in any mine in Nova Scotia. Of course when you get into your managers and your overmen and those categories, the mathematics required is equivalent to a university education. You just cannot get that kind of people overnight. It takes time to get them.

In that industry in Nova Scotia at the present time you have a well-trained staff. If they were displaced and got away from there, you would not be able to replace them in this generation. If by 1965 the requirements of the country are as forecast by the coal board, someone in this country must take some responsibility for the maintenance of the industry. I think that is all I need to say as to the value of the industry, not only in the economy of Nova Scotia but in the future development of Canada.

There is another question we shall have to ask ourselves, and I hope someone in the opposition will not accuse me of looking for a seat in the Senate or of always defending the government. I like to call the shots as I see them. That industry is in bad shape. Who is responsible? The answer to that question is obvious. The coal resources of any province are in the hands of the province. The government of the province is the custodian of the resources for the people of the province. That is the first point to remember.

The second thing to remember is that the provincial government leases that resource to the corporation. Under the terms of the lease the corporation has the right to manage it. During the last twenty-five or thirty years the Dominion Steel and Coal Corporation has had a complete monopoly in the province as far as coal is concerned. Under the present scheme of things nobody has a right to dictate to the provincial government or the company as to how they should manage the industry. So they go along and they get into difficulties. I want hon. members to remember that the federal government has no authority to give orders either to the province or to the corporation as to the management of the industry.

There was no authority at all until the outbreak of the war. Then it was made a national industry under the War Measures Act and the federal government had some say. But after the war was over the authority reverted to the province. Therefore whatever is wrong about the condition of the industry from the standpoint of marketing and salesmanship, the responsibility for that rests squarely on the shoulders of the provincial government and the corporation. After a lot of discussion in the house from year to year the government finally appointed a royal commission which brought in a report analysing the industry from coast to coast and saying what they thought should be done. The minority report contained a recommendation to set up a dominion coal board.

On June 17, 1947 a bill was passed by the house establishing the dominion coal board. If members will look at that legislation they will see that it gives the board very little authority. The explanatory note merely stated that the bill provided for the setting up of the dominion coal board, that the board would have advisory functions under section 6 and administrative functions under section 8, and that its regular officers, clerks, employees and so on would be civil servants. The board merely had an advisory function. But that was one thing at least that was done to bring about some regulation on a national scale. An effort was made to see what could be done about developing the mechanics to make it work.

After a lot of deliberation and consideration legislation was passed by the house to assist the producers of coal in the Atlantic maritime provinces. I heard arguments advanced before the passage of the bill that production was down and costs were high, and the reason that was given was absenteeism, that the men were not working. That was the swan song of the corporation for several years. You do not hear that any more. However that was said to be the trouble. The industry was in bad shape but it was said that the company was not responsible. Therefore this legislation was introduced to

lend them some money for the purpose of carrying out a program of mechanization.

I am not going to repeat my opinions. I said a good many times in the house long before that legislation was passed that that kind of program would not be of very much value. Of course I only worked in these mines for twenty-six years. I did not know anything about them, but someone with a little book knowledge comes in as general manager and he knows all about it. An appropriation of $10 million was made and a mechanization program was started. The minister told us tonight in his policy statement that the program is two and a half years behind. That is pretty good engineering, two and a half years behind with a mechanization program that was going to increase production tremendously.

It did not increase production. Just on the eve of the federal election the company closed one of their largest collieries, the one in which they installed their first heavy electrical equipment. Of course this business of mechanization is a misnomer so far as these collieries are concerned. These mines were always mechanized. The coal was cut and bored by machinery, but the machinery was operated by compressed air. The change-over could be more properly termed an electrification program because they put in electrical equipment to replace air-driven machines.

That mine was closed affecting some 1,600 men. It was done overnight with no notice except a radio announcement that they were not working any more. So far as the company was concerned, that was all the notice the men got, although there was talk about the closing for a year before. At that time the men made an offer to the provincial government and the company. They said: "There is no need to close the mine. It is faulty engineering that is the trouble. Give us that mine for one month and we will increase production by 40 per cent. Let us have a try at it and get these engineers out of the way for a while". But the mine closed. It is now back in operation.

The company is hollering today because in the maritime provinces there are 90,000 domestic units using oil or propane gas. Whose fault is that? Is that the fault of the people? If you are operating a business, have a commodity to sell and do not sell it, it is not the fault of the customer who may turn to some other commodity. The fact that oil and propane gas installations have been made to that extent in the maritime provinces adds up to a faulty sales policy on the part of the company, and nothing else.

[Mr. Gillis.]

The minister did not say this but I said it to a board of trade meeting in Sydney at which the general manager of the company was present. I said that I was prepared to argue that the Canadian National Railways had carried out their dieselization program too fast. I said that in the house and in the railway committee to Mr. Gordon before any diesels were used on the C.N.R. I told Mr. Gordon that he should make haste slowly with that program and give the coal industry a chance to adapt itself. But while we can criticize the C.N.R., and rightly so, for carrying out dieselization east of Montreal too rapidly, I should like to ask the minister if he knows that at the steel plant in Sydney, operated by the same corporation that operates the coal mines only thirteen miles away, there are thirteen diesel engines doing the shunting in the general yard which has meant that some 1,200 tons of coal per month are no longer used.

That is the company that is operating the coal mines. I should also like to ask the minister if he knows that in a recent swing-over in their open hearth operations the company installed electric equipment that displaced the use of another few thousand tons of coal. They changed to electricity. They can argue of course that it was done because they have to cut costs and so on. That is fine, but if we are going to sell that coal—and I have told them this—to people in eastern and western Canada, including the Canadian National Railways, the company should lead the way by using their own product in their own business in and around the steel plant.

Now, the responsibility rests with the provinces. There is where the first responsibility lies, with the company and with the provincial government. I go over these disabilities and try to place them where they belong, but that is not the cure for this situation. In my judgment, there is an answer. The coal industry today cannot be looked at by itself. It has to be looked at as one section of the whole fuel industry because they all tie in together. We are spending a lot of money in the development of hydroelectric power in Ontario, in the state of New York and so forth; we are rushing at it in just such a manner as the Canadian National rushed to put in these diesels. At the same time we are building pipe lines from coast to coast. The other day the Minister of Trade and Commerce clearly indicated that there was too much haste in building a certain pipe line to the west coast on the assumption they were going to supply the area with oil. It is more economic to

bring in oil by a different method, and people are buying the oil brought in in that way. We are going to pipe natural gas from Alberta all the way down to the east. The coal industry is making a bid to come back.

Does that not tell the minister that in a country like Canada the first requirement before you are going to get anywhere is to try to develop in the centre of the country a body like the coal board. This board would have to have more personnel, a couple of fuel engineers, a few economists and some accountants, who could sit down and examine the country and ascertain the most economic use of oil, gas, electricity or coal in the different zones across this country. Let us stop for a moment and think about the newspaper reports we have seen for the past several months. We are being told that atomic energy is about ready. A few days ago the Minister of Trade and Commerce told us quite definitely that atomic energy would be used in the foreseeable future for the generation of power and at a cost at the switchboard which would be equivalent to coal selling for $8 per ton.

The minister indicated there is a survey being made in the maritimes of the possible uses of thermal power. If the use of atomic energy is so close, do you not think we are being very foolish in the rush there is today across the country to pipe this oil and gas to various centres? Atomic energy might make these things obsolete next year. I know there is a huge experiment being conducted in Britain. I believe the minister has a committee investigating this question today. What we need is a competent body with some authority because there are certain people in this country who, if they see they can make a dollar in the stock market, will go out and build a pipe line. There are other people who do not realize what the future fuel will be, who will put money into a particular development of a fuel that will perhaps be obsolete next year.

If we are going to be sensible, and if there is a dominion-provincial conference, I believe the proposition should be put to the provincial governments concerning the establishment of a national fuel policy. We can call each other names all we like; we can blame this fellow, that fellow and the other fellow, but in the final analysis if we do not get authority in the hands of some central organization that has the power to analyse the problem and correlate all the fuels that are in their embryo stages today, I am fairly sure that within the next four or five years we are going to wind up with a mess on our hands in the fuel field. This is a field with which we cannot afford to fool because it is at the root of our whole economy.

In so far as this turbine engine is concerned, I know that everyone who expresses an opinion on it is only making a good guess, but I think the statements in the press during the last several months to the effect that the turbine engine will be the saviour of the coal industry is bad psychology. I have looked at it, and I know the minister has been down to look at it, as has the chairman of the coal board. I do not believe that engine as it is today will ever be in service in a locomotive. Of course that is not yet determined, and the only way it can be determined is for the Canadian National to get a large appropriation of money, put their engineers in there to see what kind of locomotive it would need. Then they would have to build a locomotive to accommodate it, and that would take a long time. I do not believe that is a solution of the present difficulties of the coal industry.

As the hon. member for Digby-Annapolis-Kings said a moment ago, it might perhaps be the best method for the generation of power in small power plants using coal. However, I still do not believe that that engine will be ready for any commercial use within at least the next ten years; that is my own opinion. It is only a guess, but that is all anyone can make at the present time.

I am sorry that at this stage in the session I had to get up and say this, Mr. Chairman. I want to seriously suggest to the minister that so far as I can see there is no other solution for this whole fuel problem in Canada except getting a competent body, and making arrangements with the provincial governments to make this industry a national industry. Then you could take all the fuels, have them examined realistically by competent people and determine what use you are going to make of them in relation to the possibility of atomic energy in the foreseeable future for industrial purposes.

**Mr. Prudham:** May I ask the hon. member a question? Did he suggest that all sources of fuel should be nationalized?

**Mr. Gillis:** I do not know what the minister means by "nationalized", Mr. Chairman.

**Mr. Prudham:** I do not know what the hon. member means by it.

**Mr. Gillis:** I did not use the term. I never used the word at all because there are too many people who do not understand it and it has too many bad connotations. The minister will recall what was done during the

war. It is peculiar that we can work so effectively in a crisis. One of the first things that was done was that the coal industry was made a national industry. People were put in to handle it who had authority; wages went up; standards were raised and we got vacations with pay for the first time in the history of the industry. Everything went along fine. As soon as the war was over the machinery was unscrambled. I should like to see you take authority for the whole fuel industry across this country as you did during the war. If a war broke out now you would do it overnight; you would have to do it in order to avoid a lot of overlapping, extra costs, competition and mix-up in the fuel industry—

**Mr. Prudham:** Perhaps shut off the oil into Nova Scotia?

**Mr. Gillis:** What was that? No, I do not say cut it off at all. The minister cannot say that because he does not know any more about it than most people who talk about it. We are all feeling our way, but we are honestly trying to get rid of a bad mess. The minister knows this very well. The mess the coal industry is in today is due to the fact that you have been working on the same mechanics for the last 75 or 80 years. It has always been in trouble; this is not the first time. As far back as I can remember it has been in trouble because of faulty mechanics. And it always will be in trouble the way it is today.

Then so far as that business of nationalization is concerned, I seem to have more confidence in the federal government than most of the ministers have because I am quite prepared to hand over the organization and direction of the fuel industry of this country to the federal government, as the elected representatives of the people of Canada. I would rather take a chance on the attitude of the minister of the government, to whom I can talk in the House of Commons, than take a chance on some president of a board of directors living down on mount Royal in Montreal, whom I never have a chance to talk to. If the minister wants to call that nationalization, all right. The only thing is that I am a little bit sorry he is afraid of himself.

**An hon. Member:** Ten o'clock.

**Mr. Hansell:** I am prepared to go on, if the committee agrees. Perhaps after I have concluded my remarks the item might pass—I do not know.

The hon. member for Cape Breton South is a very good friend of mine. In our speeches on coal we always seem to be able to hit it off pretty well. He, of course, has some practical knowledge. My knowledge is gained from studies I have been able to make, and conferences I have been able to have with those in the coal mining industry. But I will say this, that while the hon. member is a very good friend of mine I do not think he answered the minister's question with respect to nationalization.

We listened this evening to what has come to be known as the minister's policy speech, upon the introduction of the departmental estimates. I should like to make only one or two comments on what he said. He mentioned the fact that the government had been interested in the coal mining industry for the last 28 years, and lauded the work of the coal board, and in that I agree with him. Perhaps the coal board has not had all the authority it may have desired, but so far as the responsibilities placed upon it are concerned I do not think anyone would criticize that board.

The minister mentioned subventions. I am quite willing to give the government all the credit necessary for the introduction of its subventions policy. Because I am quite certain that the coal mining industry of Canada, particularly that of western Canada, would have folded up many years ago had it not been for the subventions paid on the movement of coal. I will give the government all credit for that.

Nevertheless I do maintain, and have maintained over the years, that the government has never really had an adequate national coal policy. The minister was quite apologetic in his speech when he referred to the present situation in the coal mining industry of Canada. He made special mention of the problem in the Crowsnest pass where recently a very substantial coal mine was closed down. He said that these mines in the Crowsnest pass will have a reasonable chance, but in the very next breath he pointed out to us that one of the largest coal mines in the Crowsnest pass area, the International Coal and Coke Company, had closed down. How they can have a reasonable chance when at the same time they are closing down, I do not know.

To my mind the minister's speech painted a rather gloomy picture. He did say he was hopeful, and it is a good thing to be hopeful. But we also hear it said that hope deferred maketh the heart sick. While he said he was hopeful, he said also that the coal mining industry is fighting for its life. That is the expression he used, that it is fighting for its life. And then he proceeded to say, "But I am confident". Now it is a very nice thing to be hopeful, and it is also a nice thing to be confident. When I go back to my constituency and have to meet the coal miners

and the coal mine operators—those who are operating mines about to fold up—I will have to tell them, "Well, the minister has confidence." I am afraid the coal miners are apt to turn to me and say, "That is all right, Hansell, but confidence does not put any pork chops on our tables, nor does it buy the baby any shoes. You can't run the coal mining industry on hope and confidence."

Of course the picture is not all one-sided. While the minister painted a gloomy picture, he said he was facing the facts. The situation is becoming desperate. Some months ago I received telegrams from various parts of my constituency in the Crowsnest pass calling my attention to the fact that these mines were closing down. I have one resolution here from a meeting held at Natal in British Columbia, also in the Crowsnest pass. This community is not in my constituency, but is bordering it. I am sure other hon. members may have received a similar resolution. It was passed at a meeting attended by residents of the Crowsnest pass area in Alberta and British Columbia, and reads as follows:

Resolved that we press upon both the provincial and federal governments to implement a Canadian policy which will enable Canadian coal to supply the Canadian market, which will bring the establishment of the industries to process coal for its by-products; which will increase unemployment insurance benefits and make them continuous until steady work is available; which will recognize that the welfare of the mines and the mining industry is a government responsibility, and it is their duty to provide either work or full maintenance.

The other telegram comes from a public meeting held in the town of Blairmore. I have another telegram from a member of the local legislature. I shall not read these, but they show the seriousness of the situation, because these were sent pursuant to the announcement that these coal mines were closing down. I brought the matter up in the house at that time and, if I may, I shall read the minister's answer. I asked my question when the orders of the day were called on March 24. My question was as follows:

Has the government any knowledge of the report appearing in the Calgary *Albertan* that the coal mines in Coleman, Alberta, are to close down operations on March 31, and that other mines in the Crowsnest pass are likely to follow with shutdowns? If so, does the government contemplate any remedial action?

And I want hon. members to take note of the answer the minister gave. It is quite lengthy, but the part I wish to call to the attention of the committee is this:—

**Mr. Prudham:** Read it all.

**Mr. Hansell:** All right, I shall, but I did not want to take the time.

Mr. Speaker, I have not seen the report to which my hon. friend refers. I am sure all hon. members know that the coal industry in both eastern and western Canada is experiencing difficulty at the present time. In western Canada the industry's difficulties have been brought about largely through competition from oil and gas. I need not remind hon. members that the natural resources belong to the provinces. The province of Alberta has prospered enormously from the sale of natural gas and oil rights; only recently I saw a report of one sale amounting to over $30 million for two comparatively small areas of land.

This is the part that I was going to quote, without the other, for the sake of brevity:

The province of Alberta is prospering from these recent developments. The coal industry is suffering from these developments. What I would like to know is, what is the Alberta government going to do about it?

I do not like to be mean in my expressions, but I am going to tell the minister that I regard that as nothing but a cheap political answer. What has the Alberta government done about it? In his speech tonight the minister had something to say about what the Alberta government had been doing in respect to the coal mining industry there. Perhaps I can read a passage from Premier Manning's budget speech of a few months ago. This budget speech was given on March 5. I asked the minister the question on March 24. As I say, the budget speech was delivered on March 5; therefore the minister should have known what the Alberta government had been doing about it. On page 10 of Mr. Manning's budget speech, published by the queen's printer, we find the following:

Alberta's important coal industry has, in recent years, suffered from loss of markets to competitive fuels. Replacement of railway locomotives by diesel units and the conversion of coal burning locomotives to oil burners has greatly reduced what formerly was a substantial market for bituminous coal. Oil and gas progressively have eliminated coal from local domestic and industrial markets, while excessive transportation costs have made the capture and retention of eastern Canadian markets extremely difficult. Production in 1953 totalled 5,917,423 tons, a decrease of 1,277,049 tons from the previous year.

The government has assured the industry of its full co-operation in a renewed effort to increase the sale of Alberta coal in eastern markets and in this endeavour the government of the province of Ontario and the Department of Mines and Technical Surveys of the government of Canada have indicated active support. The government is convinced that a long-range solution to the problems facing our coal mining industry must be sought in fields other than the utilization of coal in its natural state. With this in mind, the legislature at this session will be asked to approve a substantial appropriation to provide a research laboratory for the Alberta research council with special pilot plant facilities for coal research. The government of Canada has agreed to assist in staffing this research laboratory with qualified personnel to carry out this important program from which it is hoped beneficial results will be obtained.

The minister knew that when he asked what the Alberta government was doing. That is why I say it was a cheap political

answer. I am quite sure the minister will not deny that the Alberta government have co-operated in every way possible with his own department in order to bring about a better day for the coal mining industry. I never heard Mr. Manning or anyone in the Alberta government criticize the minister's department. I believe there is the best of co-operation between the two departments. Why? Because they both have something to gain, the country has something to gain, and I am not going to say that the minister's department is not anxious to care for the welfare of the country or of the coal mining industry or whatever comes under that department. The fact is I do not think they know where they are going in respect to a national coal policy.

The situation is serious, Mr. Chairman. Might I say this: Not only has the Alberta government done that, they have done something further, and this is something the minister did not mention in his speech tonight. At the recent legislative session the Alberta government appropriated $100,000 for the rehabilitation of unemployed coal miners so that they could be taken somewhere else and be re-established. That is a magnanimous thing because the situation is serious, without very much hope for the future. Therefore it is a matter of what are these men going to do? They have built their homes there; they have raised their families there; they have worked in the mines all their lives; they are competent coal miners. As the hon. member for Cape Breton South said, it takes a lifetime to develop a coal miner, and when they grow older or are thrown out of work there is nothing much else they can do. They have to be put somewhere or rehabilitated, and encouraged to establish some place else if possible. The Alberta government recognized that and appropriated $100,000 for the purpose. When I was home a few weeks ago one of the ministers of the Alberta government was down in the Crowsnest pass looking over the situation and taking applications. In one day they had about 300 applications. That is what the Alberta government is doing, Mr. Chairman, if the minister wants to know. It is not the first time of course that the coal mining industry has had to face a serious situation.

We in this group have brought these things to the attention of the government many times. For the last two years, year in and year out, the hon. member for Red Deer has urged the government to take further steps to make something of this coal mining industry by bringing into existence a real coal policy. The hon. member for Bow River has the Drumheller coal mining industry in his constituency. I referred to the hon. member for Red Deer. He has the coal mining industry in the community of Nordegg, and I have a coal mining industry in the Crowsnest pass. The hon. member for Lethbridge has a coal mining industry there.

We are interested in this because in Alberta there are countless millions and millions of tons of coal in those hills. I said it was serious, Mr. Chairman, and it is. I hold in my hand a clipping from the Calgary *Herald* that the hon. member for Red Deer handed to me. It indicates something of the seriousness of the situation. It appeared in the Calgary *Herald* on March 1, 1954. I will not read the whole article. It states that statistics show that the coal production in Alberta alone—these are not national figures —dropped 1,277,049 tons in 1953. The output in 1952 was 7,194,472 tons; in 1953 it was 5,917,423 tons. The highest production in Alberta was in 1946 when it ran to about 9 million tons. At that time 200 mines were operating. Now there are just 150 mines. In 1946, 9,153 people were employed in those mines; now the employment is less than 7,000 and since this was written several mines have closed down. Another article appeared in the Calgary *Herald* of May 26, 1954 and it states according to a Canadian Press dispatch:

> Supplies of coal available for consumption in Canada reached a 13-year-old low total of 38,163,000 tons in 1953.

These are the figures for the Dominion of Canada now.

> The bureau of statistics announced today in a preliminary report that the total was 8 per cent lower than the 41,620,000 tons available in 1952.

In other words, an 8 per cent drop.

> Domestic production of coal fell to 15,896,000 tons in 1953 from 17,579,000 tons the year before.

Here is a drop in one year of nearly two million tons. I say the situation in the coal mining industry in Canada, not only in Alberta, is serious. This department of government must have some responsibility. Otherwise this part of the minister's department would not exist. They must recognize some responsibility otherwise they would not have a coal board. But what have they done? What are they doing?

I said a little while ago that we should compliment them on their subvention policy throughout the years, but in reality if you look at it that is not something that the coal board or the minister's own department necessarily worked out. This is a financial arrangement, and all they had to do was simply to go to the Minister of Finance or the treasury board and say, "We can do this

if we can subvent the railways for the movement of coal. Have you got the money?" And when the treasury board answers, "yes, we will pay that sum of money," then that part is taken care of. It is a solution from a financial angle rather than a solution with respect to a coal policy.

But I wish to say that there is no question in my mind that the government have failed in some of their announced objectives. I have here a copy of *Hansard* for May 13, 1953 and at page 5284 the minister is reported as saying in answer to a question put to him from this corner of the house:

The dominion coal board was created by legislation and brought into being by proclamation on October 21, 1947. The board at an early stage in its deliberations adopted, with the concurrence of the minister, a series of principles that in effect may be recognized as a coal policy. These principles are:

Now let me read them, they are five in number. This is the minister's statement as he continued:

(1) The maintenance of an adequate supply of coal for our national requirements;
(2) The support of a sound and healthy coal producing industry in Canada;
(3) The development of steady and adequate markets for the output from Canadian mines;
(4) The provision at fair wages of reasonably full employment for Canadian miners;
(5) The possible extensions of the market for Canadian coals, with the resultant savings of foreign exchange.

Now, let us see how far they have succeeded in that coal policy:

(1) The maintenance of an adequate supply of coal for our national requirements;

Well, we will say that they have succeeded in that. I do not know that the credit necessarily goes to the government. The coal mining industry is able to supply our national requirements, but we will give credit to the government for success No. 1.

(2) The support of a sound and healthy coal producing industry in Canada;

They have failed, the industry is not healthy.

(3) The development of steady and adequate markets for the output from Canadian mines;

The verdict: failed.

(4) The provision at fair wages of reasonably full employment for Canadian miners;

Verdict: failed.

(5) The possible extensions of the market for Canadian coals, with the resultant savings of foreign exchange.

What verdict shall we write on the tombstone? Failed! There you have it.

Now, then, Mr. Chairman, that is not all. The thing is becoming a bit of a joke. That was what the minister said on May 13, 1953. But almost a year after that, as late as February, 1954, the minister comes out and says the same thing, knowing that four parts of his declaration of policy had been a failure. I have here the report of an interview the minister gave. The clipping does not say to whom he gave that interview, but the minister will know. Here is a report from the Montreal *Gazette* dated February 19, 1954. It is a Canadian Press dispatch. The heading is "Canada Needs All Her Fuel—Prudham". The article states:

Canada should not neglect any of her sources of fuel—she will need them all, mines minister Prudham said today.

I will not read all of this article but this is the thought I wish to emphasize:

On coal policy, the minister said the government favours: maintenance of an adequate coal supply for Canada's national requirements.

What he said a year ago.

A sound and healthy coal industry;

What he said a year ago.

—finding of steady markets for Canadian coal;

Just what he said a year ago.

—reasonably full employment and fair wages for miners and possible development of new equipment and methods which would lower production and transportation costs.

He said it all a year ago and yet he continued to say it then, even though he knew as late as February, 1954, that the coal mining industry of the Crowsnest pass and other parts of Canada was about to fold up. It seems to me such an accurate repetition that the minister must simply have recited it. Whether he knew he was reciting I do not know. Perhaps he was like me when I was a boy at school and I used to labour through these literary gems—

**An hon. Member:** You have not changed much.

**Mr. Hansell:** Perhaps I have not, but I think I have come a long way since those days. We used to study in our class in literature a book called "The Lays of Ancient Rome". But what did I want to know about the "Lays of Ancient Rome?" I was more interested in the "Lays" of the old pasture across the road from my front gate. Yet I laboured and memorized and I would stand up and quote passage after passage. I did not know what it was all about. I did not know anything about the "Lays of Ancient Rome" and I was not concerned about them. But here the minister repeats five things and turns around a year later, gives an interview, and repeats the same thing knowing full well, of course, that in at least four parts of his declaration he has failed.

I have a report from the *Financial Times* for February 19, and it is really the same report as the other, but it elaborates a little bit. It states the same sort of thing:

Canada must conserve its "energy supply" declared Hon. George Prudham, minister of mines.

I do not think I need to detain the committee much longer. How can the minister say these things when the evidence is to the contrary? I have another dispatch here. I must have dropped that piece of paper. Maybe it is a good thing that I did so. In any event, I have my notes here. The bureau of statistics not long ago said—oh yes. Here it is. This was the clipping I read—that this 13-year-old low fell by about 2 million tons. That is from the dominion bureau of statistics. It was not the hon. member for Red Deer who said it. It was not the member for Bow River who said it. The hon. member for Cape Breton South said it was not he who said it. It was not the hon. member for Digby-Annapolis-Kings who said it, nor was it the hon. member for Lethbridge or the hon. member for Macleod. Those are the figures issued by the dominion bureau of statistics. We pay $5 million a year for them to hunt out the statistics for us. Now on the heels of those statistics, the minister comes along and declares this as Canada's policy. It is a policy as to which four points have failed and the other one is successful by reason of the fact that the coal mining industry is doing what it can.

I am not going to detain the committee any longer but I will say this. The minister's appraisal tonight was an honest report. As gloomy as it was, he faced the facts. I think it is well that we should face the facts. If we cannot arrive at a national policy so that the coal mining industry may be established as it should be established—if we are not going to do that—let us tell them so. That is the proper thing to do. I believe that the minister in his speech has just done that tonight.

If we have to move forward to a more progressive age where we are now substituting other fuels, then let us tell the coal mining industry that and let us tell these coal miners that. Let us tell the coal miners, "These are the facts. We may as well tell you that. We will appropriate a little bit of money to see you re-established somewhere else". That is the best thing we can do.

I do not blame the minister for his speech. He has faced the facts. As far as facing the facts is concerned, I am with him and wish him luck in his extremely difficult task. I realize that that is a difficult task. It is difficult by reason of the fact that we are living in an age of progress. Nevertheless the coal is there and the day may come when we may need it. But in the meantime, if we have to move forward and keep abreast of progress, then let us move forward; but let us tell the coal mining industry and the coal miners the actual facts.



**Mr. Buchanan:** Mr. Chairman, the subject now before the committee, namely, the dominion coal board estimates, is one which is of great interest and importance to the people of my constituency. In my riding we have several large coal-producing collieries; in fact, the coal industry is the base of the economy, not only in my riding but in the whole of Nova Scotia. That is the reason I am going to make a few observations at this time. As the hour is late, I will be brief.

To give you some idea of the importance of the coal industry in Nova Scotia, I should like to point out that salaries and wages paid to coal miners in Nova Scotia in 1952 amounted to $35,709,646. The steel industry at Sydney and Trenton is dependent upon maritime coal, and salaries and wages paid by this industry in Nova Scotia in 1952 amounted to $36,970,000. The transportation of the coal and steel products from the mines and steel works is a third large item in the maritime economy which is dependent upon coal.

The very existence of North Sydney, Sydney Mines, Sydney, New Waterford, Glace Bay, Stellarton, New Glasgow, Westville and Springhill, and many other small towns, depends largely upon the continuous production and use of coal. There are about 120,000 people living and working in these towns and the business connections, the requirements for food and merchandise of all kinds spread out through all Nova Scotia. Without this firm base, the economy of Nova Scotia would be in a very bad and perilous condition.

I think, Mr. Chairman, these facts clearly show the value of coal in the economy of the province by the sea and, in fact, to the whole of the maritimes. The situation is one that requires careful analysis so that this industry may be permitted to make its proper contribution to the economy of Canada.

I am sure everyone in this house realizes that the difficulties of eastern and western Canada arise largely from our geographical position. The fathers of confederation recognized this when confederation was brought about. They, in their wisdom, deliberately turned their backs upon a cheap or low-level economic life for Canada and accepted the handicaps of our national geography by planning for an economic life artificially maintained at that level required by our various interests, and not dependent upon

the American trade. We all know that we in Canada pay more for our automobiles, our machinery, our textiles and a host of other articles because the fathers of confederation deliberately set out to build a nation.

Today our costs are higher than those of our neighbours because of duties, freight rates, and other handicaps and similar causes that were accepted as part of the price of nationhood. These costs can be substantially reduced by eliminating tariffs, buying in the cheaper American market and by this means committing suicide as a Canadian nation. I think I am quite safe in saying that there are very few among us who are willing to exchange our nationhood for the purpose of solving any of our regional problems.

In their deliberations the fathers of confederation and succeeding governments recognized that the coal industry of the maritime provinces should receive the same help and safeguards as the manufacturing industries of the central provinces. This help has been extended in many ways since the first examination of the situation by a select committee of the House of Commons in 1877, when it was proposed that a duty be imposed on United States coal.

The duties have fluctuated and today the only remaining duty is one of 50 cents per ton on bituminous coal imported from the United States. Drawbacks of this duty are allowed on a very large tonnage and the effect of the duty is offset to some degree by the present favourable exchange on the United States dollar. Added to these difficulties is a new and serious competitor to the coal industry of the maritimes in the form of cheap imported heavy fuel oil and the recent development of natural gas. Heavy fuel oil is produced in foreign refineries and is being dumped at the present time upon the world market at whatever price it will bring.

The congress of the United States has been petitioned to impose a heavy duty upon this oil and it has been reported that by mutual agreement between producers and importers the importation of this oil into the Atlantic seaboard of the United States is being restricted. There is a duty of one-third of a cent per gallon on oil entering Canada, which is roughly equal in fuel value to about 50 cents per ton of coal. Our maritime coal industry is practically wide open to this competition.

There is also a substantial production of heavy fuel oil by oil refineries in the maritime provinces from crude oil imported by sea from foreign countries free of any duty. I am sure you will agree with me that the coal industry of the maritime provinces, facing the kind of competition that I have indicated, is labouring under great disadvantages, disadvantages that only action by the federal government, in co-operation with the provinces, can solve. Perhaps the suggestion made by the hon. member for Cape Breton South that all Canadian fuels be brought under a competent body would focus attention on the best method to use our fuels in the interests of Canada.

The federal government has helped. In fact, without the help of the government the industry would not have survived. Successive governments have for many years provided assistance to the coal industry by means of subventions. These subventions have been particularly important to the maritime provinces and have enabled the Nova Scotia industry to market some two to three million tons of coal in the Quebec and Ontario markets each year. This has been of benefit to Nova Scotia by providing a market for the extra output, and by maintaining a high and fairly constant level of production has held down costs. It has been of benefit to the central provinces by enabling the maritimes to purchase that much more of the manufactured goods of Ontario and Quebec. It has been of benefit to the nation by providing an additional tie of common interests between the central and the seaboard provinces.

The coal mines are having a very difficult time these days for various reasons. There is no need for me to enumerate these reasons at this time. I am sure that the government is fully aware of them and is helping to find a solution in so far as the federal government has the authority to do so.

The subject, Mr. Chairman, is a technical one and it is involved. I make no pretence at being an expert. I am not, like the hon. member for Cape Breton South, a miner, but I have grown up among miners. I have worked with them and I have worked for them. I know they have legitimate difficulties, and I am sure that with the combined intelligence of the members of this House of Commons and the understanding and co-operation of the provinces concerned a solution for the coal industry will be found.

**Mr. MacEachen:** Mr. Chairman—

**Mr. MacLean:** Ten o'clock.

**Mr. MacEachen:** —the discussion—

**Mr. MacLean:** Mr. Chairman, the committee has been sitting for ten hours today already, and I think in fairness not only to

the membership of the committee but to the staff of the house we should rise and report progress.

**The Deputy Chairman:** I am entirely in the hands of the committee. Perhaps I might say something at this stage which it is not really my duty to say. If hon. members have a prorogation date in view that they hope to reach, it can be reached only by concluding the business which remains to be done.

**Mr. Fulton:** We have until Saturday.

**The Deputy Chairman:** Therefore it will be in the hands of the members of the committee when that date is reached.

**An hon. Member:** Carry on.

**An hon. Member:** Ten o'clock.

**The Deputy Chairman:** Is there consent to sit later?

**Some hon. Members:** No, no.

Item stands.

Progress reported.

Resolutions reported, read the second time and concurred in.

## BUSINESS OF THE HOUSE

**Mr. Harris:** I move that the house do now adjourn.

In the morning we shall take the amendments made in the other place with respect to the public service superannuation bill and then proceed with the business I indicated earlier.

Motion agreed to and the house adjourned at 11.40 p.m.

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

POST OFFICE DEPARTMENT

342. Operations—including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, also including administration; and including, notwithstanding section 16 of the Civil Service Act, payment, in such amount or amounts as may be approved from time to time by the treasury board, to civil servants who are hired as casual employees, $76,007,630.

343. Transportation—movement of mail by land, air and water, including administration, $48,524,258.

344. Financial services, including audit of revenue, money order and savings bank business; and postage stamps, $2,586,950.

Loans, investments and advances—

541. To authorize and provide for the operation of a revolving fund in accordance with section 58 of the Financial Administration Act for the purpose of acquiring and managing material to be used in the manufacture of uniforms and satchels, the amount to be charged to the revolving fund at any time not to exceed $425,000.

[Mr. MacLean.]

699. Operations — further amount required, $1,265,904.

DEPARTMENT OF LABOUR

A—Department—General administration—

177. Departmental administration, $683,551.

178. To provide for expenses of the economics and research branch, $528,366.

179. Annuities Act—administration, $997,528.

180. Fair wages, conciliation, industrial relations, industrial disputes investigations including the administration of legislation relating thereto, and for activities *re* promotion of co-operation in industry between labour and management, $468,714.

181. Canada labour relations board, $5,275.

182. Administration of the Canada Fair Employment Practices Act, $9,200.

183. International labour conferences, $62,120.

184. *Labour Gazette*, authorized by Labour Department Act, $136,043.

185. To provide for the effective organization and use of agricultural manpower including recruiting, transporting and placing workers on farms and related industries and assistance to the provinces pursuant to agreements that may be entered into by the Minister of Labour with the provinces and approved by the governor in council, $335,000.

186. To provide for expenses of a women's bureau, $24,090.

187. To provide for payments to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, and administrative expenses connected therewith, $197,513.

Vocational training co-ordination—

188. Administration, $67,795.

To provide for carrying out the purposes of the Vocational Training Co-ordination Act and agreements made thereunder; to authorize the Minister of Labour to enter into agreements with any province on terms approved by the governor in council for the training of persons to fit them for defence industries, the training of members of Her Majesty's forces and other persons to fit them for skilled armed services occupations; for training of personnel for the merchant marine and training under youth training projects and to provide for the expenditures thereunder and under vocational training agreements entered into in previous years—

189. Training payments to the provinces, $4,290,000.

190. Payments to the provinces for capital expenditures for vocational schools, buildings and equipment, $300,000.

Government employees compensation—

191. Administration of the Government Employees Compensation Act, $67,259.

Terminable services—

192. To provide for expenditures incurred in implementing recommendations of the national advisory council on manpower, and for the administrative costs of the council, $11,700.

193. To provide for payment to the national film board for educational films for exhibition, $24,000.

194. To provide for expenses that may be incurred in the arranging for and the movement of workers from outside Canada to work on farms and other essential industry in Canada when Canadian labour is not available to meet the need, including costs

connected with the supervision and welfare of persons already immigrated to Canada; administrative expenses connected therewith and to provide for expenditures under agreements with the provinces authorized by the governor in council, $878,258.

B—Unemployment insurance commission—

195. Administration of the Unemployment Insurance Act, 1940, including expenditures incurred in connection with the activities of the national employment service as delegated by the Minister of Labour in accordance with section 97 of the act, $28,122,859.

196. Government's contribution to the unemployment insurance fund, $33,750,000.

197. To provide for the transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $75,000.

A—Department—Vocational training co-ordination—

To provide for carrying out the purposes of the Vocational Training Co-ordination Act and agreements made thereunder; to authorize the Minister of Labour to enter into agreements with any province on terms approved by the governor in council for the training of persons to fit them for defence industries, the training of members of Her Majesty's forces and other persons to fit them for skilled armed services occupations; for training of personnel for the merchant marine and training under youth training projects and to provide for the expenditures thereunder and under vocational training agreements entered into in previous years—

669. Training payments to the provinces—further amount required, $140,000.

670. Contribution to the Canadian National Institute for the Blind towards the costs of facilities for the vocational training and rehabilitation of the blind, $350,000.

B—Unemployment insurance commission—

671. To provide for the transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council—further amount required, $125,000.

# HOUSE OF COMMONS

**Friday, June 25, 1954**

The house met at eleven o'clock.

## REPORTS AND PAPERS

TABLING OF ANNUAL REPORT OF MARITIME COAL PRODUCTION ASSISTANCE ACT

**Hon. George Prudham (Minister of Mines and Technical Surveys):** I wish to lay on the table the annual report of the Maritime Coal Production Assistance Act for the year ended March 31, 1954. No new loans were granted during the current year.

## HOUSING

CENTRAL MORTGAGE AND HOUSING—DIRECTIVE RESPECTING PINE BOARD ROOFING

On the orders of the day:

**Mr. J. R. Garland (Nipissing):** I wish to direct a question to the Acting Minister of Public Works. Has the government given further consideration to representations received from white pine manufacturers that the present standards under the N.H.A., not permitting the use of pine in greater than eight-inch widths for roof sheathing, are restricting the sale of this type of lumber?

**Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works):** In view of the current surplus of white pine boards in wide widths, the government has asked Central Mortgage to modify the National Housing Act standards now limiting the width of boards used for roof sheathing, to permit roofs to be boarded with white pine in widths in excess of eight inches.

## LABOUR CONDITIONS

STELLARTON, NOVA SCOTIA—CLOSING OF RAILWAY REPAIR SHOP

On the orders of the day:

**Hon. George A. Drew (Leader of the Opposition):** Mr. Speaker, I wish to direct a question to the Minister of Transport. Has the attention of the minister been drawn to a situation existing in Stellarton, Nova Scotia, which indicates that the car repair shop at Stellarton has been closed down and that this in addition to the 500 miners already out of work is, according to Mayor Sobey of Stellarton, causing an extremely serious unemployment situation. I would point out that in addition to the closing of the repair shop I am informed by the mayor by telegram that there is also further lay-off of personnel on the Canadian National Railways at Stellarton.

**Hon. Lionel Chevrier (Minister of Transport):** Mr. Speaker, perhaps I may be allowed to take this question as notice, and inquire what the position is from the Canadian National Railways and report later. Will my hon. friend let me see the telegram?

**Mr. Drew:** I should be happy to do so. In view of the stage of the session at which we are, may I suggest that when the minister obtains the information he might make a statement to us, in view of the fact that the general situation was under discussion yesterday and that the information with regard to this matter did not come to my attention until this morning.

**Mr. Chevrier:** I will undertake to obtain the information as quickly as I can do so. I must point out to the hon. member, however, that the information I will get will be from the office of the Canadian National Railways at Montreal which, in turn, would have to get it from their maritime regional office. It may not be possible to get it in time before prorogation. However, I assure the hon. member that I will undertake to do it with all haste.

**Mr. Macdonnell:** We shall be here all day.

## PUBLIC SERVICE

FIVE-DAY 40-HOUR WEEK—STATIONARY ENGINEERS AND FIREMEN IN OTTAWA AREA

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I ask the Secretary of State whether he is yet in a position to answer my question of Wednesday as to when the stationary engineers and firemen employed by the federal government in the Ottawa area will be put on the five-day 40-hour week?

**Hon. J. W. Pickersgill (Secretary of State):** No, Mr. Speaker; I cannot answer the question. The matter is still under consideration.

## PUBLIC SERVICE SUPERANNUATION ACT

AMENDMENT TO PROVIDE PAYMENT OF DEATH BENEFITS UP TO MAXIMUM OF $5,000—CONCURRENCE IN SENATE AMENDMENT

**Hon. Douglas Abbott (Minister of Finance)** moved the second reading of and concurrence in the amendment made by the Senate to Bill No. 463, to amend the Public Service Superannuation Act.

**Mr. Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. Abbott:** Perhaps I might give a word of explanation. The amendment consists of adding two sections to the bill, the second one merely the coming into force section but the first one providing in effect that members of the public service on July 1, 1954 may, prior to November 1, 1954, elect not to be participants in the scheme. I should hasten to say that I give full credit for this amendment to Their Honours in the other place and to the active and energetic maiden ladies in Ottawa who pressed this matter strongly.

**Mr. Drew:** They have been reading the proceedings in the House of Commons.

**Mr. Abbott:** I did not recommend the amendment. I agreed to accept it. But I should be less than frank if I did not say that I do so with some misgivings. On November 1 the government will, of course, have to review the results of these options not to participate. If they are negligible in quantity the plan can be proceeded with. But if they are of any substantial number, I think it would mean that the government would not feel that the bill should be proclaimed.

**Mr. J. M. Macdonnell (Greenwood):** Mr. Speaker, notwithstanding the iron pressure which we are under from the leader of the house, I think a few minutes might be devoted to commenting on this situation. It is natural for the Minister of Finance (Mr. Abbott) to give all the credit to the other place and it is equally natural for us to appropriate a large part of it to ourselves. This is one of these incidents—and there are not as many of them as we should like to see—that operate to give a modicum of encouragement to the opposition. We know that in many cases where our efforts bear no fruit, we are right—

**Some hon. Members:** Hear, hear.

**Mr. Macdonnell:** —and a review of the facts would bear that out. But, alas, unfortunately justice is not always done at once and we very often have to wait for endorsement. So, Mr. Speaker, it is especially pleasant when the endorsement comes very quickly, and I am sure that the minister, being a generous fellow, will not grudge the fact that we take most of the credit ourselves.

**Mr. Abbott:** I would have appreciated the credit more if my hon. friend had given the grounds on which he wished this measure postponed.

**Mr. Macdonnell:** I will make reference to the giving of grounds, and I wish to say that when I refer to the opposition I do not refer exclusively to the official opposition because we had, I am glad to say, support from elsewhere, from the Social Credit group.

**Some hon. Members:** Oh, oh.

**Mr. Macdonnell:** Oh, it is quite possible to disagree on some things and yet agree on others. I will say at this point that I am sure one of the regrets of the government is that they have not been able to stay the course with their socialist friends but have had to depart. This amendment, Mr. Speaker, while it does not go as far as we would like, is in the right direction, and it at least does something to improve a bad bill. I want to point out that it is ironical that the serried ranks which voted for the bill, the whole bill and nothing but the bill a couple of weeks ago, without even having had time, I suppose, to read the evidence taken before the committee, will now vote for the amendment, but that is at it may be. They voted for the bill without evidence and they now vote for the amendment without evidence. It is interesting to note that the amendment was not even referred to the banking and commerce committee.

But, Mr. Speaker, there is one very interesting lesson from this event, and it is particularly interesting in view of the speeches which were made on this side of the gangway some little time ago about the Senate. It is interesting to realize that this shows that there is one deliberative body of parliament, namely, the Senate.

**Mr. Speaker:** Order.

**Mr. Macdonnell:** The Senate did debate this. They weighed the evidence. They considered the interests of those affected, which does seem a reasonable course. But as we all know—

**Mr. Pickersgill:** It evidently does not need any reform.

**Mr. Macdonnell:** —no such course was followed in this house—

**Mr. Abbott:** No reform now.

**Mr. Macdonnell:** —or in the committee of this house. We remember the incidents, and they can be very briefly related. The minister on May 26—

**Mr. Speaker:** Order. I know that the hon. gentleman would like to review all the proceedings with respect to this bill—

**Mr. Macdonnell:** Very few, Mr. Speaker.

**Mr. Speaker:** —and although he proposes to do it in a very brief way I must remind him of what one can read at page 535 of Bourinot, where it says:

> When amendments made by one house to a bill from the other house are received back, and are under consideration, it is not regular to discuss the bill itself, or its principle, or the policy of the government thereon; but the debate must be confined to the amendments.

**Mr. Fulton:** On a point of order, may I point out that whenever I quote Bourinot I am told it is out of date.

**Mr. Speaker:** It may be that when the hon. gentleman has quoted Bourinot on certain occasions Bourinot has happened to be out of date, but it happens that on this occasion he is not.

**Mr. Macdonnell:** Mr. Speaker, I accept your ruling, and in order to make sure that I shall not depart from it I shall keep these amendments in my hand all the time I am speaking. The only point in this very short speech I am making—

**Mr. Abbott:** Ten minutes so far.

**Mr. Macdonnell:** —is to come to the point of these amendments and to stress the fact that I hope, now that a little light has been let in on the minds of the government and they have gone part of the way in the right direction, they may be prepared to go a little further. In order to establish that point, Mr. Speaker, there is just a little more by way of foundation that I feel is necessary. I want to point out briefly—

**Mr. Abbott:** Christmas is coming.

**Mr. Macdonnell:** —the facts which are relevant, that on the 26th of May the bill was introduced in this house, far too late, then went to the committee—

**Mr. Abbott:** Order.

**Mr. Macdonnell:** —that the civil service officials—

**Mr. Abbott:** Order.

**Mr. Macdonnell:** —had only a week in which to ascertain the views of their members, that their views were strong and unanimous on two points, that I moved an amendment in the committee which was supported by the hon. member for Peace River (Mr. Low). I wish to emphasize the fact that there was no debate on the merits by reading two lines, Mr. Speaker, from the proceedings of the committee after I had moved my amendment and after the hon. member for Peace River had spoken.

**Mr. Speaker:** Order. I do not think, especially at this stage of the session, that we should expect hon. members to say in words that they adhere to a ruling and then carry on with further words indicating that the ruling does not mean anything at all to them. I think I have been quite lenient with the hon. member. I know he wanted to give a little bit of the background of the debate and the proceedings with respect to this measure although his remarks should have been confined entirely to the amendment which he said he approved. If he has the amendments before him, as he says, then I would suggest that perhaps he should pay attention to the amendments before him and not to other sheets that he is holding in his other hand. Perhaps that is what is confusing the hon. member. He has the amendments in the one hand and the sheets in the other, and perhaps he could combine the two. I would ask him to confine his remarks to the amendments and not to review the proceedings in connection with this matter.

**Mr. Macdonnell:** I will put the other papers away. Seriously, I do have one more point with respect to this matter to which I want to make reference, and it would only take me a moment or two to outline it.

**An hon. Member:** Order.

**Mr. Speaker:** Does the hon. member think that even if, being out of order, he will not take very long to make his remarks I must agree with him that he should be allowed to be out of order even for a minute? I think he has taken that much time to be out of order, and I think I have been very patient.

**Mr. Macdonnell:** You are always patient, and I try to be patient too.

**Mr. Abbott:** Be firm, not patient.

**Mr. Macdonnell:** I come now to the amendment.

**Some hon. Members:** Hear, hear.

**Mr. Macdonnell:** I have been coming to it all the time, Mr. Speaker, but I am right there now. This amendment does give civil servants a chance to opt out. Subsection 2 of the amended section 52 says that an election made under the section is irrevocable. To me there is almost a slight element of threat in that. In spite of what the minister said about his own preference, I do hope that the government, having approved this amendment, will not in any way hedge on it, because in my view what has happened, as I tried to say a moment ago, is that partial light has been let in on the minds of the government, and I hope that they will go further.

I just want to add this one thing. I have referred to the fact that in the deliberative assembly this matter was deliberated. It is surprising that the best the leader of the other place could say for this legislation was that it is not all bad. That was in the newspapers, Mr. Speaker, and I am able to tell you that it is accurate. I hope that in these circumstances, having made the change which has been made, having at last recognized the unanimous representations made by the representatives of the civil servants that this compulsory feature was obnoxious, the government will keep their minds open and, as I say, having gone a little way in the right direction, may find it in their hearts to go still further.

**Mr. Stanley Knowles (Winnipeg North Centre):** I have no sheets in either hand, Mr. Speaker, so perhaps I can keep in order. Something has been said this morning as to who should get the credit for the amendments that are now before us. Since the last speaker favours the amendments, he naturally talked in those terms, and since I do not like what is being done perhaps I should decide where to put the blame. I do not put the blame on the official opposition in this house or on Their Honours in the other place. I put the blame where it belongs, on the government, for accepting these amendments and moving their adoption as the Minister of Finance (Mr. Abbott) has done this morning.

So far as the substance of the amendments is concerned, it is quite clear what is involved. As I understand it, the substance of these amendments is that arrangements will be made for those who are in government employ, on or before July 1—

**Mr. Abbott:** On July 1.

**Mr. Knowles:** —on July 1, to contract out of this insurance plan if they do so before the 1st of November.

**Mr. Abbott:** That is right.

[Mr. Macdonnell.]

**Mr. Knowles:** Anyone who comes into government employ—

**Mr. Abbott:** And the government, of course, reserves its position to decide whether a sufficient number are in to make the scheme worth while.

**Mr. Knowles:** I am coming to that. I was starting to say that those who may come into government employ after July 1 would not have the right to contract out. It is understood also that any of those who are now in government employ and who decide to contract out prior to November 1, would not have the right to get in again afterwards.

**Mr. Abbott:** That is correct.

**Mr. Knowles:** The other provision set out in these amendments is for a coming into force clause. I understand that the reason for having a coming into force clause rather than the usual arrangement that the bill become law upon royal assent is, as the Minister of Finance said just now by way of interruption, so that the government can reconsider its position if it wishes to do so after November 1.

Now, Mr. Speaker, I believe that we have to pay some attention to what the government has announced as its intention, in the light of that coming into force clause which is proposed in these amendments. I understand it has been indicated that if a negligible number of persons, say of the order of 2 per cent, contract out, that will make no difference; but it has also been indicated that if as many as 25 per cent contract out, the government may decide not to proclaim the bill.

**Mr. Abbott:** It would certainly be out at 25 per cent.

**Mr. Knowles:** We are getting it clear. If there are 25 per cent who decide they do not want this provision, the bill will not be proclaimed. However, the understanding is that in between 2 per cent and 25 per cent the government will reconsider its position.

I must say that to me this is a strange form of democracy. What is being said is that if one person says no and three persons say yes, the bill will not be proclaimed. I would say that if the government wanted to amend the bill to modify the compulsory feature to make it possible for those who do not wish to have this insurance to deny themselves that right, the government might have done it in that way, with whatever modifications might be necessary. But to take this position that if one out of four does not want it the other three who do cannot have it—

**Mr. Abbott:** My hon. friend appreciates that this materially affects the rate.

**Mr. Knowles:** I realize that, and that is what I was saying. If the government wanted to modify the compulsory feature and make whatever change was necessary in the rates so as to have it on an optional basis, that in my view would have been a responsible way to approach this matter. But to put it on the basis of a veto, which is what is provided in this arrangement, is I think contrary to the democratic way of doing things. I put the blame where I believe it belongs. Perhaps the Minister of Finance did not think up this idea, and I will give him credit for moving his motion this morning reluctantly, but I point out it does not matter whether he moved it with reluctance or with exuberance, if the motion passes the result is the same.

I regret, Mr. Speaker, that the government has taken this position. As I say, I do not object to the government deciding to change the bill if it wishes to do so by making certain modifications on its own responsibility. But I think it is wrong, and I think it is unfair to have it announced to civil servants generally—it is almost a threat, if you like—that if 25 per cent, a decided minority, say no then the 75 per cent cannot have the advantages of this very beneficial piece of legislation. The government was very proud of this legislation. It was put to a vote several times by the government, and it was supported. The government insisted on knowing where the house stood on the matter.

I regret that the Minister of Finance has given in to this pressure, particularly in making the announcement that if 25 per cent are opposed to the legislation the other 75 per cent cannot have it. I do not think that is in keeping with true democracy.

**Mr. Abbott:** I just want to add one word. This is a measure that is of benefit for civil servants, not for the government and not for the taxpayers of Canada. When it was represented in the other place, by this aggressive organization of maiden ladies here in Ottawa, that there should be a chance to opt out of the plan, the government felt that was perhaps not unreasonable. However, if more than 20 or 25 per cent do not want it, the plan just falls to the ground. It was devised on the assumption that all members of the civil service would be in it.

If you have an optional plan and a smaller group, then I think the arrangements should be made with an ordinary life insurance company to take out group insurance. This is another type of plan. I would have preferred the hon. member for Greenwood to have opposed the plan on the basis that he would prefer this sort of thing to be handled by the life insurance companies. He did not do it on that basis. He asked for delay, saying we did not have a chance to study the measure. It is a very simple plan in its essence. It does not require any long study, especially for one as experienced as the hon. member for Greenwood, to know exactly what the plan implies.

The position is that the government does not want to force this on civil servants. The government believed it was a desirable plan, and personally I am hopeful an overwhelming proportion of the civil servants will want it. The government will take a completely neutral position. It will make facilities available for exercising this option, and then it will be up to the civil servants themselves.

**Mr. Knowles:** May I ask the minister a question? Will the government do anything by way of trying to give publicity amongst the civil servants as to the advantages of the plan?

**Mr. Abbott:** No.

**Mr. Solon E. Low (Peace River):** I do not like to see my genial friend the Minister of Finance (Mr. Abbott) suffer embarrassment at any time. I do not like to embarrass him. However, I am going to have to read him a bit of a lecture again this morning. I remind the minister that we are not in committee and therefore there should have not have been the exchange that just took place.

**Mr. Abbott:** I had the right to close the debate, did I not, Mr. Speaker?

**Mr. Low:** I rose to my feet.

**Mr. Speaker:** Perhaps I might explain why I allowed the Minister of Finance to say a word. I understood that he was referring to a statement that he had made and which, in his view, had not been correctly understood by the hon. member for Winnipeg North Centre. I was watching the minister so that he would not go farther than that because, had he gone farther than just putting the records straight as to what he had said earlier, which might have been misunderstood by the hon. member for Winnipeg North Centre, I would have stopped him. I quite agree with the hon. gentleman that we are not in committee and that normally the question of the hon. member for Winnipeg North Centre should not have been put. But it could have been put later when the minister will be entitled to use his right of reply.

**Mr. Abbott:** I apologize to the hon. member for Peace River. Had I known he intended to speak, I would not have risen.

**Mr. Low:** I can understand how people some distance from the minister may not easily be seen, and perhaps if I had shouted at the top of my voice, to start with, the minister might have withheld what he wanted to say, or did say, until I had finished. However, I have no desire whatever to embarrass the minister, although I am afraid that he is suffering embarrassment now. It is the embarrassment of not having taken a close enough look at this bill, to begin with.

I thought, Mr. Speaker, that we had presented a pretty sound argument to support the position we took on the bill. And perhaps the most important argument was this, that even although it could be proved that a civil servant would not be able to have as cheap a form of death benefit as he would get if all the members were forced into it under a compulsory scheme, even if that were the case—and I am not convinced that it is the case—there is no justification whatsoever in attempting to force 25 per cent or 30 per cent, or even any percentage, to accept this compulsory feature.

The hon. member for Winnipeg North Centre (Mr. Knowles) likes the compulsory feature because he says that the great majority will benefit by having that feature in. But just let me point out once again that while 75 per cent, if that is the percentage that were going to go in, are certainly entitled to the best that they can get, they are not entitled to have anything more than the best they can get, if it means forcing other people to sacrifice for them. That is the principle at stake, and that is the principle we have got to keep in mind.

We are very glad that the minister has finally seen fit to accept this change. I do not blame the government—indeed I compliment them upon having finally yielded to a recognition of those people who are concerned. And if that is not true democracy, then I do not know what true democracy is. Democracy certainly envisages a government with a will to govern.

**Mr. Knowles:** Not the will of the minority.

**Mr. Low:** The will of the minority has to be respected, and you do not respect them.

**Mr. Knowles:** Oh yes, we do.

**Mr. Low:** No, you do not. And that is the principle you put forward. You neglect the will of the minority. You wish to force them to take what you think is good for the majority. That is a principle with which we do not agree, and that is exactly the reason why I supported the hon. member for Greenwood (Mr. Macdonnell) in his motion on third reading of the bill. I am prepared to join with any party when it stands behind the principle of freedom—I do not care what party it is. It was because of the fact that my hon. friend from Greenwood was upholding the principle of individual freedom that I stood behind him. May I say that I am very happy the minister has finally yielded—whatever it may have been he yielded to—and has seen the light.

[Mr. Speaker.]

**Mr. Knowles:** Would the hon. member permit a question?

**Mr. Low:** Yes.

**Mr. Knowles:** Would the hon. member favour permitting people to contract out of paying taxation for education?

**Mr. Low:** My hon. friend knows that that is not in the same class at all. He knows that very well. He is very fond of putting questions about taxation and education. But he knows very well that is not in the same class at all.

**Mr. Knowles:** It certainly is.

**Mr. Low:** No, it is not—and nothing even remotely approaching it.

Let me just say this, that I am glad the government has removed the compulsory feature and has decided to give civil servants the right of election. I do not care where the credit goes for this. If the credit goes to the Senate, then let me say I am satisfied that hon. members in the other place were moved by the arguments that had been advanced in the House of Commons. And I am satisfied it was because they were moved by those arguments, and were thinking pretty carefully about the matter, that they did suggest the amendments that have now been placed in the bill.

Let me say once again that I think this is one of the real justifications for a second chamber. It is one of the reasons I feel that, in any effort to reform the Senate, we should be very careful not to abolish it; because this is one justification for keeping them here.

Of course my hon. friend from Winnipeg North Centre will say it is one of the best reasons for abolishing them.

**Mr. Knowles:** Hear, hear.

**Mr. Low:** That is the difference in our approach.

**Mr. Speaker:** I suggest that we should not go into the question of Senate reform in this debate.

**Mr. Low:** I was just saying that it is the difference in our approach. We have upheld constantly the principle of individual freedom, and we are going to continue to uphold that principle, irrespective of what others have to say.

**Mr. Donald M. Fleming (Eglinton):** Mr. Speaker, I have only two or three brief observations to make.

I am glad that I have lived to see this day. I am glad I have lived to see a situation in which a government which was riding very high, here in this chamber, on this particular matter only a week ago Monday, June 14, has now come before the house and is prepared to eliminate from this bill much of the compulsory feature which was contained in the bill, and to which we took such strong objection.

But when the bill was under discussion then the government was not prepared to listen. They were not prepared to entertain any suggestion for delay so that there could be further consideration of the subject. But in the eleven intervening days something has happened, and now we find the government coming forward and asking the House of Commons to amend this bill so as to afford at least a limited opportunity to those employed in the civil service on July 1 to contract themselves out of this plan.

To the extent to which reason and common sense have triumphed over the government juggernaut that was not prepared to brook any delay, or to give any opportunity to the civil service to put its views forward eleven days ago, we should be thankful indeed to the other place. We of the official opposition sought in the interests of freedom and fair play to eliminate this compulsory feature. We did not succeed, because in the last analysis the majority overruled us. But, now that reason and fair play have triumphed, we ought to give the other place all due credit for what they have done in that respect.

**Mr. Dickey:** Praising the Senate.

**Mr. Fleming:** I will praise anybody who does a reasonable thing, and I am waiting for the day when the hon. member for Halifax does the first reasonable thing that I am able to praise.

Then, there are one or two other points I should like to mention. The first has to do with one or two remarks of the Minister of Finance, in a manifestly sneering voice, about maiden ladies in the civil service.

**Mr. Abbott:** Not at all, not at all; I was simply stating the facts. There is nothing sneering about it.

**Mr. Fleming:** The tone of the minister's remarks was unmistakable, Mr. Speaker, and was very disparaging to the maiden ladies of the civil service. I wish to make two observations.

**Mr. Pickersgill:** I rise on a point of order, Mr. Speaker. Did you not rule that discussion on this matter had to be relevant to the amendments?

**Mr. Speaker:** That of course was the ruling, but some hon. gentlemen take a long time to introduce their subject. It may be that now the hon. member for Eglinton is going into another phase of his remarks. He is merely introducing what will be his relevant subject in a moment. I am very patiently waiting for that; but in any debate, if one speaker makes a remark which the other one picks up—for instance, a moment ago we almost went into the subject of Senate reform again just because one hon. member happened to mention that the action taken by the Senate with respect to these amendments justified the establishment of a second chamber. Well, we cannot open up that subject, and I hope we shall not come back to it.

The hon. member for Eglinton said that some of the expressions used by the minister were, in his view, sneering remarks. The minister said that they were no such thing. The hon. member for Eglinton is supposed to take the statement made by the minister as being the one by which he must abide. Where do we go from here? We are studying the amendments. The hon. member for Eglinton is studying the amendments; we are all studying them. I have them before me. They seem to me to be very simple ones. It all depends on how elaborate one wants to make his remarks.

The hon. member for Eglinton is usually relevant in anything that he wishes to say, and I hope that on this occasion he will not depart from his ordinary line of conduct.

**Mr. Fleming:** There is no likelihood whatever of the member for Eglinton departing from relevancy in this debate, because if the Minister of Finance was relevant in his remarks this morning I will be relevant also since my remarks will be directed to the remarks of the Minister of Finance.

**Mr. Speaker:** Perhaps that is not relevant. If in the general exposition of views in reply to another member some passing references are made to matters which do not come directly under the scope of this amendment, I do not think that one member can pick out one passing reference made here and there in somebody else's speech and say I am going

to direct my remarks exclusively to that. I think he must treat that as a passing reference, as well.

**Mr. Fleming:** I am not basing my remarks on that theme at all. The Minister of Finance gave as one of the reasons for the amendments, now before us, having been passed by the Senate and now being recommended to the house by the government for adoption, the fact that there had been pressure from maiden ladies in the civil service. I intend to make two observations about that, as the reason for those amendments.

The first is that maiden ladies in the civil service have as much right as anyone else in the civil service to make their views known.

**Mr. Abbott:** Hear, hear; I heartily agree.

**Mr. Fleming:** In the second place, the Minister of Finance had better not assume that the opposition within the civil service to the compulsory features of this scheme was confined to the maiden ladies. One of the points I sought to make in the debate was that no one could say, until there had been consultation with the civil servants, what their feeling is. All I can say is that such contacts as I have had with married men in the civil service who have spoken to me indicate that many of them do not want this plan, and they object to the compulsory deductions from their salaries to pay for it.

The third matter on which I should like to make brief comment is this. It is a curious conception of what is democracy as expressed by the hon. member for Winnipeg North Centre (Mr. Knowles). His intimation was that if the civil servants have an opportunity of giving free expression to their views in this matter, and 75 per cent of them should indicate they want this plan, they have the right to have it and automatically to impose that plan on the other 25 per cent and to compel the government to make these deductions from the salaries and pay of the other 25 per cent.

**Mr. Knowles:** Mr. Speaker, on a question of privilege, just to keep the record straight. What I said was that I object to the government denying it to the 75 per cent because 25 per cent did not want it. I said quite clearly that if the government wanted to amend the bill taking out the compulsory feature that I was prepared for the government to do that on its own responsibility. What I objected to was the announcement that if 25 per cent are opposed and do not want to take advantage of the plan, that it would be denied to the other 75 per cent.

[Mr. Speaker.]

**Mr. Fleming:** That is a fair statement. Clearly that is a statement of the hon. gentleman's views. That is his position. Then the responsibility rests with the government as to whether the plan will be killed or not, but I would take strong—

**Mr. Knowles:** That is the purpose of the coming into force clause before us now.

**Mr. Fleming:** But I would take strong issue with any suggestion that because 75 per cent are in favour of the plan, for that reason the government ought to go forward and make those deductions from the other 25 per cent even against their clearly expressed wishes.

The final matter is the minister's statement that the government will take a neutral position. That is indeed a welcome statement, Mr. Speaker. It is extraordinary; it is so different from the statement on this very same matter, Mr. Speaker, the compulsory aspect of this bill which is involved in the amendment, which was expressed by the Minister of Finance in this house just eleven days ago. Then he said: in the opinion of the government, this is an excellent plan, and we do not see any reason for delay. It was sufficient, in the government's view, that they thought that the plan was good for those to whom it was to apply at their cost. There has been a radical change in the attitude of the government in those eleven days.

What is the particular reason for this change? Goodness only knows. It may be that the views of the civil servants, those who are going to be affected, have somehow begun to register on the minds of hon. gentlemen opposite. When this matter was before us a week ago Monday, unquestionably not more than 15 per cent of the members of this house knew the evidence that was taken before the banking and commerce committee. I do not suppose that there was more than one minister at the most in the cabinet who had taken the trouble to read the evidence at that time. Well, it may be that the views expressed by the civil servants, through their responsible representatives, have begun to make some impression; but whatever has happened in those eleven days, it is indeed a radical change, Mr. Speaker, and one for the better; and we may hope that the government, having seen some light, having retraced its arbitrary footsteps in this matter, will see fit to follow this example in other similar situations in the future.

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

**Mr. Knowles:** On division.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Dominion coal board—

237. Administration and investigations of the dominion coal board, $114,380.

**Mr. MacEachen:** The discussion of the coal industry in this debate so far has proceeded on the basis of three assumptions. First, that the coal industry is indispensable to the economy of Canada, especially in times of national emergency. Second, that the satisfaction of the long run energy requirements of this country must depend in part on coal. The third assumption is that the coal industry, as a source of employment and earnings, is crucial to the industrial economy of Nova Scotia. These three considerations, Mr. Chairman, are of sufficient weight to provide a solid basis for a firm and generous policy of support to the coal industry. In the past this policy of encouragement has been carried forward in the main through, first, the small customs tariff, second, subventions on the movement of coal, and third, the Maritime Coal Production Assistance Act.

The customs tariff and especially the subventions policy had their origin in the competitive advantage and consequent threat of imported United States coal. Since 1928, approximately 31 million tons of Nova Scotia coal have been moved at an expenditure of approximately $40 million. As long as the chief threat to the Canadian coal industry came from imported United States coal, this subvention policy seemed adequate to maintain stability in the industry. However, within recent years the source and form of the competition to the coal industry has changed abruptly. The major form of present competition is not from imported coal but from fuel substitutes, and fuel substitutes in some cases of Canadian and not foreign origin.

The dominion coal board report states:

> It appeared certain that this factor, namely, the inroads of oil and natural gas would occasion further dislocation in the industry as pipeline facilities expanded and the railroads pressed forward their program of dieselization and conversion.

Later the report states:

> The Niagara power development and the St. Lawrence seaway and power project threaten to make available a supply of secondary power which would involve the temporary displacement of some tonnages of coal as far east as Montreal.

I believe the new forms of competition have brought greater and more formidable difficulties in the development of a suitable coal policy. The difficulties are apparent because fuel substitutes are produced in Canada by fellow Canadians.

However formidable the difficulties, the only satisfactory attitude to the current crisis is an attitude of realism taking into account that the chief ingredient in the development of the coal industry is a product that will hold the market against fuel substitutes.

This view is accepted without question. It was recognized in the enactment of the Maritime Coal Production Assistance Act under whose terms millions have already been made available to the Dominion Steel and Coal Corporation and other coal companies for mechanization with the anticipation of lowering the cost of production. Up to the present time no lower costs have resulted from mechanization.

The president of Dosco now expresses doubt as to whether the deterioration in the market for coal will warrant the continuation of a mechanization program. But it should be borne in mind that an improved market outlook depends upon lowering production costs, and that each of these desirable outcomes is indispensable to the future of the coal industry. For that reason, Mr. Chairman, any reluctance to pursue the mechanization program, as a lower cost device, either on the part of the government or of the industry, must be resisted because such a position means that the industry expects a guaranteed market as a precondition of cost-reducing innovations, which are in themselves the only way to assure a coal market.

The program recently initiated by the provincial government, in co-operation with the industry, to stimulate the home consumption of coal is a step in the right direction. Sales in the home market have already decreased by 500,000 tons per year. Annual production of this magnitude creates employment for 1,000 men. Part of this decrease is due to the switchover by industry and domestic users from coal to oil. This program of stimulating consumption of coal in the maritime market deserves all possible encouragement, and I think it is important because it may hold the line against further encroachment of oil until the pay-off point is reached in certain research projects into new uses for coal.

Reference has already been made to the research being conducted at McGill University by Professor Mordell into the coal-fired gas turbine, in the fuel division of the Department of Mines and Technical Surveys.

Though the coal crisis hit the headlines very dramatically this winter, scientists have

been working quietly and painstakingly to discover ways by which coal may compete effectively with oil as a fuel and as an industrial raw material. Of particular interest and importance is the work of the Nova Scotia research foundation, not only because of its own research, but because it is in contact with research into coal being undertaken in Europe and the United States.

Among experiments which are outlined in the annual report of the Nova Scotia research foundation are, first, research into the burning of coal underground to recover energy and by-products. Underground gasification of coal would permit the use of thin seams of coal. Second, research into development of methods of handling and burning Nova Scotia coal to eliminate the nuisance of smoke, hand-firing and ash removal from domestic furnaces. Third, study into methods of coal carbonization. Interest in this process springs from the collection of coal tar chemicals as potential raw material in chemical industries.

I believe this research deserves all possible encouragement and public support.

Of all the research that is now going on into further uses of coal, no series of experiments is fraught with greater possibilities than the work now under way at Morgantown, West Virginia. Equipment developed by the United States bureau of mines, in association with the engineering firm of Babcock and Wilcox, is producing gas from coal in surface units.

If this gasification should prove to be suitable and economical for Nova Scotia coals, then the future markets for the industry may not be solid coal transported by subvention assistance to the central market, but a coal market at the pithead at conversion units turning coal into gas for domestic and industrial use in the maritimes and Quebec. Nova Scotia coals have been tested at Morgantown, and at some future date it is even possible that gas from Nova Scotia coal will move by pipe line into the large consuming centres.

If this type of research proves practical, then it may provide the real answer to the problem of a Nova Scotia coal industry.

I now come back to an earlier point, Mr. Chairman. All progress in the coal industry rests, in my judgment, on a more competitive fuel. It is commonly believed that the chief way of reducing costs is through mechanization. Up to the present time, no reduction in costs has occurred through the installation of big machinery. I am not advocating that this program should be stopped.



It is my belief however, given the proper motivation and the proper conditions, the human resources—the people in the industry —could increase productivity far beyond the expectations now placed on the installation of big machines. I believe this increased productivity could take place with greater rewards in form of income and human satisfaction. Maybe the chief error of modern business is to plan for every conceivable phase of the productive process except the proper motivation and satisfaction of the human resources.

I am glad the hon. member for Cape Breton South referred last night to the engineering know-how latent in the working force in the Cape Breton mines. That the human resources of the coal industry—and of most other industries—have untapped sources of ingenuity, skill and ideas is the first attitude to be taken towards this problem. How can one release this productivity? First, by setting up a structure within the mines whereby the combined creativeness of the work force can influence productive decisions. Second, by the development of a productivity yardstick that measures increased group performance and a reward system that puts punch into team work. Finally, by the acceptance by management and the union of each other as essential institutions in the industry.

I believe there exists today in the Nova Scotia coal industry a basis for the introduction of such a joint system of union-management co-operation. I am not advocating a speed-up. I am not advocating anything that will weaken either management or union. I am advocating a formula that will strengthen both as well as strengthen the industry.

The chief exponent of this type of relationship is a former union president and former research director of the United Steel Workers of America. At present he is on the staff of the Massachusetts Institute of Technology. I refer to Mr. Joe Scanlon. Joe Scanlon has applied his productivity plans, based on the above ingredients, in a variety of industries with remarkable success. Unions like his approach to productivity and so do managements.

Last week I had the opportunity to discuss once again with Mr. Scanlon in Boston the success of his work in the German coal mines at the end of the war when coal production was one of the chief problems of Germany. Joe Scanlon's staff succeeded in achieving concrete results in improving the productivity of those mines. I believe the

same approach is worthy of serious consideration in connection with the Nova Scotia industry, because this industry is vital to the welfare of my province.

Mr. Chairman, discussion of the coal industry in Nova Scotia has centred in the main on the problems of the chief operator and the communities to which its operations extend. It is in that general vein that I have made my remarks up to the present time. However exclusive attention to the interests of the chief operator is not consistent with the welfare of other smaller communities.

When I return to my constituency I shall visit two communities now languishing because of the state of the coal industry, namely Inverness and Port Hood. When I return to Inverness, almost every miner in that community will be walking the main street because there is no market in which it is possible to dispose of their coal which is excellent for domestic purposes. Inverness town has been the chief casualty of the Nova Scotia coal industry, and already it has borne too great a share of the burden and sacrifices involved in the current adjustments of that industry.

I invite from the dominion coal board increased attention to the problems of the independent operators in the small communities, in finding markets and also in developing methods to share in a fair manner among all communities the burden of the present difficulties of the coal industry.

**Mr. Lusby:** I should like to join in this discussion briefly in order to make a few remarks from the point of view of my own county of Cumberland where the coal industry is one of vital importance. In that county about 1,800 men are engaged in the actual mining of coal, and they with their families —apart from the other people connected with the industry in other capacities—constitute a substantial segment of our entire population. Of our two mining areas, Springhill, which is one of our leading towns—its patriotic citizens are inclined to call it the leading town—is almost entirely dependent upon its collieries which are operated there by a subsidiary of Dosco, the chief producer in Cape Breton. In the other mining area, namely the Joggins-River Hebert area, several so-called independent mines are located. Their relative importance in the picture is practically as great. Certainly any closing of the mines would entail a large degree of depopulation.

I therefore welcome any opportunity to urge upon the House of Commons and upon this government the gravity of the problems which are now facing the Nova Scotia coal industry and the need for an expanding and comprehensive program of assistance in order that the industry may be enabled to survive.

More publicity has, I think, been given to the problems of the industry in Cape Breton and in Pictou county than in Cumberland. As yet perhaps we have not been as seriously affected as have those other sections of the province. But the picture in the Joggins-River Hebert area where, as I said there are small independent mines operating, is already dark, and with summer coming on, of course, the unemployment situation there is going to be worse than it has been during the winter months. They face, of course, the problem which the hon. member for Inverness-Richmond just mentioned. Their problems are somewhat different from and possibly more difficult of solution than those of the larger operators. But in any event the problems of the future are much the same for all coal communities. The same or much the same solutions must be found if the coal industry is to survive in Nova Scotia. The implications, of course, reach far beyond the immediate areas I have named; for if the industry perishes, then the whole economy of the province, which is based to a substantial degree upon coal, will receive another of those shattering blows which it has received so often since confederation.

Since the last decades of the nineteenth century the coal industry has maintained a place of major importance in the economic life of Cumberland county. It has had varying fortunes, but to date it has always been able to survive all the dangers which have from time to time threatened it, although never before so ominously as at the present time.

To go back to the beginnings with us, history records that even in the distant days of the French settlements boatloads of coal from the Joggins seams went up and down the coast to fire the forges of the sturdy blacksmiths of the Acadian villages. That thought takes us back to the romantic days of Evangeline. I do not think Longfellow's poem mentions it, but I daresay that Basil the blacksmith was using Joggins coal. However, we are not living in the past, and certainly there is very little room to find any poetry in the coal situation as it exists today. Many descendants of those early Acadians, I may add, still find work in the pits of the Joggins area and they face now possibly another expulsion, an economic expulsion from their ancestral soil.

The problems of the Nova Scotia coal industry have, I know, been dealt with in considerable detail, and I think they are fairly well known to most members of the

house, even to those who have no immediate concern with them. Lack of industrial development in the maritimes, distance from the markets of central Canada coupled with the nearness of American sources of supply, adverse natural conditions which are a very strong factor in the situation in Nova Scotia —the depth of the Springhill mines, for example—militating against low costs of production, the increasing use of hydro-electric power and finally, of course, the increasing competition from oil and natural gas, now undoubtedly in a stage of rapid intensification, these and the marketing difficulties which they create are the present emergent problems of the industry.

It has been said that our coal industry has itself to blame for very much of its present plight. I would be ready to allow a certain measure of truth to this, at least with regard to the past, but I think it is also true to say today, from what I have seen of management and labour relations, that both management and labour today realize fully the gravity of the situation and are ready and willing to play their part in the fight to save the industry. I know that both are giving very strong support to the campaign which has been inaugurated in the maritimes to promote the use of coal in preference to other fuels, chiefly oil. It is hoped that the campaign will win back a substantial market for coal. I believe that both management and labour are now willing to co-operate fully in the endeavour to attain a maximum in efficiency of production, something which is of vital importance to the Nova Scotia industry. Some progress of course has been made along this line, but it is a long and difficult road which they must travel. Certainly time will be needed before any substantial results can be obtained, and unfortunately the next few years will be crucial ones for the industry.

It has been generally forecast—indeed, I think it is the considered opinion of the dominion coal board—that by the middle sixties the increase in population and in industrial development in Canada will create a situation whereby the demand for coal will have reached a point at which the industry can maintain itself on at least its present level. Assuming the correctness of this forecast, the industry is not moribund in the sense that we must visualize a perpetually expanding program of governmental assistance to keep it on its feet. But, as I say, the next decade will be the crucial years, and undoubtedly the need for assistance to the coal mining industry will remain very great. Anyone questioning the wisdom of furnishing such assistance as may be required must, I think, weigh against the undoubtedly high cost attendant upon that what I call the much higher cost, both tangible and intangible, of allowing the industry to perish.

At this stage all my remarks are made with the full and, I may say, the uneasy knowledge that as far as any prophecies for the future are concerned the whole picture may be completely changed by the coming of atomic power for industry. If it comes, as it undoubtedly will, it will probably affect profoundly the whole economic face of the country and, I hope, with benefit to the maritimes. But I think such speculation as that at the present time may be left, in the discussion of this subject, until such time as these possibilities of atomic power, strong though they undoubtedly are, have reached the stage of reality and the effect of atomic power upon the use of conventional fuel can be more accurately determined.

On the basis of confirmed knowledge the death of our coal industry would in time of peace, in my opinion, create a very serious sapping of our economic strength and our industrial prospects. It would mean that the maritime provinces would be pushed deeper into the economic mire. It would mean widespread unemployment, distressed areas, the depopulation of towns and villages, for one of the tragedies of the situation is that in most cases the coal mining community is almost entirely dependent upon that one industry. It would mean that the people from these towns and villages would have to undergo a forced exile to distant parts of the country, or perhaps even beyond their own borders. A situation like that would undoubtedly provide a spawning ground for communism and its evil doctrines.

In time of war—I know this has been touched on before but I think perhaps it is not amiss that I should mention it again—the loss of the industry would be revealed as a very serious gap in our national security, a serious impairment to our capacity for either defence or attack. For the proof of that statement I think we have to go no farther than to the days of the last world conflict. Coal and steel were the twin pillars of our war effort then, and so far no adequate proved substitute for either is at hand, while the threat of aggression hangs over us almost constantly. I need hardly emphasize that this is no time for any gambling with matters which may affect our national security.

When we consider therefore the costs, the penalties attendant upon the loss of the Canadian coal industry, I think we can assert with confidence, as I do, that it is a matter of national self-interest that this government, in conjunction of course with the provincial

governments immediately concerned, should bend every effort to ensure that such a loss shall not occur.

The principle of federal assistance to the coal industry is not a novel one. We have the system of freight subventions instituted in 1928, over a quarter of a century ago, which throughout that time has been a mainstay of the industry. We have such acts as the Maritime Coal Production Assistance Act under which loans are available for mechanization and modernization of mines. In Nova Scotia that has not produced great results yet, but there are possibilities and some work has been done. I am very glad to know that the government, as the estimates under discussion show, realizes fully the desirability of continuing and expanding the system of freight subventions.

There is also the assistance given in connection with the use of coal in the manufacture of iron and steel. We have the dominion coal board itself which I think has done a great deal to aid the industry. However, I think within the limits of its existing statutory powers it could be made an even more efficient instrument to that end. The government has furnished substantial assistance in connection with the very promising development at McGill University of a coal-fired gas turbine engine. That may prove to be of some substantial help to the coal industry once it is brought to perfection.

All these measures have accomplished much to aid the coal industry in its fight for survival, and I say without any hesitation that all the expenditures involved may be considered money very well spent in the national interest. In another aspect there has been a promising beginning. I refer to the inquiry now under way into the possibilities of producing more electricity from coal in the maritimes. I am rather particularly interested in that because one of the earliest, if not the earliest, of the successful developments on the North American continent in producing electricity from coal at or near the pithead was carried out at Chignecto in my constituency.

As a matter of fact most of the electricity used in the county of Cumberland today is produced by a coal-fired plant situated at Maccan near the River Hebert-Joggins mines. There is, however, one field of assistance to the coal mining industry which I consider is very largely unexplored in this country. That is the field of research to discover new and commercially practicable uses for coal apart altogether from its conventional use as fuel. That, incidentally, is a field which would not be affected by any development of atomic power.

It has long been known, of course, that coal is a potential source of numerous products of high market value. I have a list here of a few examples which are as follows: perfume, gasoline, alcohol, disinfectant, dyes, ammonia, and fertilizer. Since the list ranges from perfume to fertilizers, one can see how wide a range of potential products coal contains. In essence, all of these products are in the blackness of a lump of coal. In most cases they are extractable by scientific methods already known, but unfortunately not yet at competitive costs. Much has been done abroad in the way of discovering new and better methods of extraction. The last speaker mentioned some experiments being conducted in the United States. The Nova Scotia government, within the limits of its resources, is doing its utmost to aid the coal industry by maintaining a close liaison with the experiments that are being conducted by the Massachusetts Institute of Technology. It is keeping in touch also with European experiments which have as their objective the development of soil conditioners from coal.

I understand that some Nova Scotia coal has been successfully used as the basis of an experiment along that line. It seems to me the federal government has not yet concerned itself to the extent it should in this field. I should like to suggest that no matter what is being done abroad we should not be content to await results from the United States or from Europe. I feel that Canada should be in the forefront of this, as in all other fields of industrial research.

One of the statutory objectives of the dominion coal board is, I believe, as follows:

> The board may undertake or cause to be undertaken researches and investigations with respect to:
> (c) The physical and chemical characteristics of coal produced in Canada with a view to developing new uses therefor.

I should like to urge that the existing powers of the board in that respect be put to much wider use than has been the case so far. This will involve a substantial expenditure undoubtedly, but I am firmly convinced that, in common with all sums which have been already expended and are being expended to assist the coal industry, these further sums devoted to that purpose could be considered money very well spent in the national interest.

Finally, Mr. Chairman, I should like to assure the Minister of Mines and Technical Surveys that we in Cumberland county, and I know the same holds true for the rest of Nova Scotia as well as for other coal producing areas in Canada, appreciate greatly the time and attention that he has given to the problems of the coal industry in Canada. The

spirit of genuine co-operation he has shown in this regard cannot be too highly commended.

**Mr. Blackmore:** I have two desires in rising, Mr. Chairman, first of all, to get what I have to say said quickly, and secondly to say the things that need to be said. I wish, at the outset, to commend the minister for the manner in which he has attacked the problem. I believe his introductory speech last night was a model and I should like to encourage him to continue the deep interest he has already shown.

I want to say something to him in all kindness, and I hope he will not be offended, but I believe it is a matter he needs to have drawn to his attention. At the moment, we in Alberta have the idea that he gives altogether too much attention to his quarrel with the Social Credit movement in that province. If he would just forget his quarrel with that government and with that movement, and remember that he is the responsible minister of the crown for this whole country, then he would not say things like those to which the hon. member for Macleod referred last night, wondering what Alberta is doing about this coal problem. I thought I really should say that in all kindness because the minister has great possibilities, and I want to see him attain them with all the speed of which he is capable.

In respect of the problem of coal which confronts us, I do not wish to review the various aspects of the problem. I know they are very difficult. I believe I know pretty well all the things that stand in the way of finding a solution for Alberta's coal problem. When I first came to Ottawa I devoted a great deal of attention to the subject of coal, and did what a member could to help get our coal down into Ontario and Quebec markets. In those days we had not discovered the gas and oil in Alberta to any such extent as we have since discovered it. We had not conceived the feasibility of the idea of bringing that gas and oil down here by pipes. Now, of course, those things are practically an accomplishment. I gave up talking about coal for a while because I realized that there seemed to be difficulties which were insuperable, but my interest has continued nevertheless.

There are three or four things I think that need to be pointed out as a sort of summary to what has already been said. What seems to be worrying the coal producing areas more than anything else at the moment is the unemployment that has resulted in the coal producing communities. If we could somehow manage to provide employment for the men who have been displaced by a reduction in markets for coal, and the final closing of the mines, then the urgency of the problem at the moment would, in large measure, be eliminated. I am sure the minister realizes that. What is troubling the people, for example, in the Shaughnessy area is that they do not know where to turn to find work with which to support their families. I mention Shaughnessy, but that is only one of the mines that have been seriously affected in my constituency.

There is one aspect of the question that the hon. member for Cape Breton South mentioned last night which I must say has given me a somewhat new slant. I gather from a statement of the minister to which the hon. member referred, that the minister foresees a time in the not too distant future when we, in Canada, may have a need for all the fuel production of which we are capable. I do not know whether I am misinterpreting the report or whether the reporter misinterpreted the minister, but I do not really quite see how there could be such a development of Canadian industry and population within 11 years as to make the country capable of using all the fuel productive capacity we have. If there is, so much the better.

I believe another matter the hon. member for Cape Breton South mentioned last night is most pertinent to the needs of the situation connected with the problem. We must take steps to see that no mine shall have its coal producing capacity destroyed or seriously impaired through disuse over a number of years. I believe that is a very important point. In trying to draft a policy for the next two years, we ought to bear that in mind. I am sure the minister has done so.

The next matter, to which of course everyone referred, is the developing competition with coal on the part of other fuels, such as oil, gas, gasoline, electricity and finally atomic power. There is a probability that even solar energy will be competitive. Men are talking about a means of taking energy out of the sun and using it for industrial and domestic purposes. We must recognize that competition is an actual fact, and will continue to be a fact. In so far as western Canada and eastern Canada are concerned, the competition of United States coal with our own fuel is and is likely long to be a serious matter for us. In that connection I am not sure that I have the figures correct, but the minister will check me if I am wrong. However, as I recall it we are importing from the United States something like two tons of coal for every ton we are producing in Canada. Is that correct?

**Mr. Prudham:** I will answer that later.

**Mr. Blackmore:** I just wished to make sure. We will change the figure, if what I have

said is not correct. I think it is correct to say however that we are importing much more coal from the United States than we are actually producing in Canada. Naturally this makes people in the east and the west feel resentful when we have difficulty in marketing our coal in Canada.

I know, of course, the difficulties which arise. There are the long distances we have to transport our coal. Nevertheless we must face this very important fact, that if we used all our productivity to produce coal, as we have thus far developed it, we would not be producing as much coal as Canada now consumes.

I wish now to say a word in respect of Alberta's coal producing capacity, as a whole. Alberta is peculiar in several respects as regards her coal production. She produces a wide variety of coal. Some of it is almost as valuable as anthracite, and then we produce coal all the way down the scale, until we come to something that is very close to lignite. That is a point worth bearing in mind.

Then the next point to bear in mind is that Alberta's mines are rather widely distributed, although it is a fact that they are all in the one province of Alberta.

**Mr. Prudham:** If I might interrupt the hon. member at this point, I would give him the figures for which he asked. He has asked about Canadian production, as compared with imports. In 1953 Canadian production was 15,896,000 tons while imports were 22,521,787 tons.

**Mr. Blackmore:** I thank the minister for that information. It makes the disparity less aggravating. And yet, even those figures are impressive, are they not?

Then, I was about to refer to the distribution of Alberta mines, which means that if we use the different kinds of coal coming from the different mines in Alberta, in the development of industry for the future, we have a wide possibility of variation in industrial development in Alberta. That is another point worth mentioning.

The next important fact about Alberta coal is that, in a general way, it is economical to produce. We do not have anything to compare with the difficulties confronting the people of Nova Scotia, who have to go down under the sea floor in order to find the coal and bring it out. On the other hand, in Alberta we have a good many areas where strip mining is quite practicable, and indeed was practised during the second world war. That also is a point which should not be forgotten particularly when making a plea for Alberta's coal production.



The next important thing in respect of Alberta is that she is capable of tremendous industrial development. Up to the present time of course the industrial centres in Canada have been in Ontario and Quebec, and no doubt a good many people in those provinces would like to have it continue so. But I believe when they begin to think in terms of the nation, and of over-all security, they will realize it will be greatly to their advantage to have a vast amount of industrial development take place in Alberta, Saskatchewan and British Columbia so that there will be two powerful industrial areas in Canada. That ought to be borne in mind when we plan.

One could give a good example from the last war, to illustrate the point I have in mind. I would refer to the fact that while I was in Great Britain in 1941 as a member of the Empire Parliamentary Association delegation from Canada, I was told that Great Britain at the time of the war was divided into 12 areas. The aim was to make each of those 12 areas self-sufficient so that if an enemy were to conquer even 11 of them, the twelfth could still carry on and support a substantial war effort, with the hope ultimately of expelling the foe and defeating him.

I suggest that is a good thing for us to reflect upon in Canada. If a foe were to come to our country and destroy the industry of Ontario and Quebec, in large measure it would leave Canada almost defenceless from an industrial point of view. I think that is not a sound condition to encourage for the future, when there is so much danger. What I say strengthens my general contention that we should keep in mind the possibility of making Alberta the great industrial centre in Canada which it is capable of becoming.

Therefore it is of great importance that we preserve the coal mines in Alberta, and maintain their coal producing capacity. That is a matter which I suggest is very much worth remembering. To have a powerful industry developed in Alberta would strengthen us in both peace and war. In peacetime it would enable us to support a much larger population, and in wartime of course it would give us additional fighting strengtn.

What is the solution? There is the great problem. I do not hesitate to say right now that I think the solution is increased subventions to put Alberta coal into Ontario and Quebec so as to displace American coal. I know about the objections to shutting out American coal. That subject has been referred to by previous speakers. But everybody knows—and I wish to be careful not to use

the wrong word—about the unpredictability of the labour unions in the United States. It would be possible for those labour unions in the United States to create a disturbance while we were in a war which might shut us off from our supply of coal from the United States, and thus embarrass us most seriously in our endeavour to keep up industrial production in Ontario and Quebec. We might as well face that fact now, while we can do something about it.

Consequently, from a national standpoint I think it is of compelling importance that we produce our own coal and get it into these two industrial provinces even as a temporary measure where it will be sorely needed. If we do not later feel that we can stand economically the financial strain of providing continually those subventions for both Alberta and Nova Scotia, then, as was suggested last night by the hon. member for Macleod, we might endeavour to determine by such study as is possible just about how many of these coal mines we need to close ultimately, and then determine the policy of closing these coal mines one by one, two by two or three by three, as the case may be, after warning those engaged in the coal mines concerned that their work will discontinue at a certain time. Then we would have to make provision for their reabsorption into the economy of Canada.

I think that would be a sound method of approach, and I commend it to the minister. It may be that over a long period it will not be found economically feasible to support the coal producing capacity of Canada. If so, then at least let us go about the problem in a sensible way, and endeavour to have a plan of procedure whereby the closing of our mines would inflict the least possible damage on the Canadian economy.

It has been pointed out that the processing of the coal probably offers the way out. I realize that Germany has had wonderful success in this kind of development, as was pointed out by the hon. member for Inverness-Richmond. It is true that Germany has had phenomenal success in processing coal. But let us remember that Germany has 66 million people, and that they are rather closely concentrated. The result is that when products are processed from coal there is a ready market for them. Contrast that condition of population with our own. We have 15 million people thinly spread out over some 3,500 miles of territory. If a person were to establish a coal processing plant which would produce fur coats, which I understand the Germans produce, or any of the three or four dozen of the products which they have found it to be greatly to their advantage to produce, we would be handicapped seriously by the shortage of markets locally and even from a national standpoint. The cost of transporting the finished products from Ontario to Alberta or from Alberta to Ontario or from Alberta to the Yukon would be almost prohibitive. Having that in mind, I think we shall stop looking to the processing of coal as an immediate source of remedy for the problem which confronts us, no matter how much possibility there may be in the processing of coal some time in the future—I am altogether in favour of processing, I may say.

I believe I have said about all I had in mind to say. I will repeat once more, I do believe that it would be altogether in the interest of Canada to give notice to the United States just as soon as we can, and as kindly as we can, that we do not feel that it is in the interests of the United States or of Canada that Canada should be largely dependent upon her friendly neighbour for coal or for any other fuel. After all, we intend to be a great nation. It is vitally in the interest of the United States that we should be a great nation. If calamity should befall her she would have someone on whom to rely for assistance. If we were too greatly integrated with the United States and calamity befell her it would involve us also. I do believe that if we approach the United States people in that attitude they will soon come to agree with our thinking that we should immediately proceed to import our coal needs from Alberta and from the maritimes to Quebec and Ontario. If we grant the subventions which are necessary to bring these coals into these two provinces I think probably that will prove to be the best immediate method of attacking the problem.

**Mr. Barnett:** I have listened with a great deal of interest to the thought-provoking speeches which have been made on this coal problem from the various quarters of the house. The story of the situation that the coal industry finds itself in has been pretty well told. I could supplement that story to some extent by the story of the situation of the coal mining industry of Vancouver island, which happens to be our oldest industry there, apart from the original fur-trading period; but I believe it would be repetitious if I were to do that at this stage. I will merely say that the facts of the industry there are similar to those which other hon. members have described in other parts of the country.

In view of the kind of speeches that have been made upon this subject, which shows that some hon. members have been giving

this problem a great deal of serious attention, I found myself rather disturbed last night by the reaction that the minister appeared to have to the speech which was made by the hon. member for Cape Breton South. Apparently his only reaction to the serious proposal which the hon. member put forward for the development of a national fuel policy under a national fuel board was some rather flippant interjection about nationalization. I should like to suggest that if the minister is going to allow his prejudices about "izations" and "isms" or anything of that kind to stand in the way of his taking a constructive and thoughtful approach to the solution of this problem, that is not the serious attitude which should properly be taken by a minister of the crown in this country. Before this discussion is over I hope the minister will make clear that he has a more serious interest in his duties than was indicated by the remark he made in reference to the speech by the hon. member for Cape Breton South. At the time the remark was interjected I happened to be glancing at a report I received in my mail box, the annual report of the Canadian Commercial Corporation, which I notice is a company apparently owned by the government of Canada, and which has been entrusted with finances to the extent of something over $196 million.

When a minister of a government which has been responsible for bringing into being an organization of this kind takes a flippant attitude towards suggestions made in all seriousness that we should try to take an over-all look at the question of fuel in this country, then I suggest it is not in keeping with the realities of life in Canada as we have them today. I myself have suggested, for example, that we should try to seek a more co-ordinated approach to the transportation problem in this country. Certainly no two things are more important and basic in the industrial era than transportation and fuel. Therefore I wish to emphasize the importance of the suggestion being made by the hon. member for Cape Breton South that this is not something which can be considered apart from other aspects of our Canadian economy; and if the minister is content to allow to continue what I would call a state of economic balkanization in the country, it will only lead to further and further troubles. Surely, in this day and age he should agree that this is something which should be approached from the over-all picture, and that we should seek in this parliament to guide and direct a policy which will be in the interests of all the people of Canada, including the people who are engaged in this important industry.

**Mr. Gillis:** There is a statutory vote for the coal board of $400,000. It is an old thing. I should like to call the minister's attention to the fact that there is a tariff of 50 cents a ton on bituminous coal at the United States border, but there is a drawback on that tariff of 49 cents permitted on imported coal when it is used for metallurgical purposes. We in turn have the $400,000 as some concession to the Canadian industry that uses coal for the making of steel. I would suggest that the coal board take a look at that. We are spending $400,000 on our own industry, which wipes out the effect of the tariff of 50 cents a ton. When you grant a drawback of 49 cents a ton to the importer you wipe out the effect of the tariff. If that tariff was to protect the Canadian bituminous industry in the first place, then it should remain and have that effect. To put it on and then wipe it out, because most of the coal imported is used for industrial purposes, does not seem to make sense. I am not objecting to the vote here. I think our industry is entitled to that amount of money, if we continue to grant the drawback to importers of the United States coal who use it for metallurgical purposes. I am bringing that to the attention of the coal board and the minister and I would urge them to take a look at this old statutory provision and see whether it is not having some effect in encouraging the importation of United States coal.

**Mr. Prudham:** Mr. Chairman, I have listened with interest to the comments of the hon. member for Cape Breton South not only today but in his speech last night during which he emphasized that we should give encouragement to the building and strengthening of our steel industry. I believe that that statutory provision was designed in the first place to encourage our steel industry. The steel industry of Nova Scotia does not use United States coal and therefore it is given the equivalent of the tariff conditions other companies enjoy.

I wish to thank hon. members for the constructive speeches they have made concerning the problems of the coal industry. I was somewhat surprised at the very mild tone of the speech by the hon. member for Lethbridge this morning. He referred to a private quarrel I had with the Social Credit party. I do not mind admitting that I do not subscribe to their theories, but in so far as the coal industry is concerned I have no quarrel with them. I would like to refer to

some of the remarks made in this debate, with particular reference to the remarks made by the hon. member for Macleod last evening.

He referred to a question he had asked in this house some time ago and to the answer I gave at that time. He gave no notice of that question; it was directed to the Minister of Labour; and in turn it was referred to me without notice. He said my reply was a cheap political answer. He is entitled to his opinion. But I am going to say that I think his question had some political implications. However, I am very pleased with the result that seemed to stem from that question and answer. The following week the Alberta government announced they were providing $100,000 for the rehabilitation of miners, and I hope that that question and answer had some influence on their decision.

Several hon. members have asked for a national fuel policy. This is an old story. Ever since I have been in parliament that proposal has always been brought up on these estimates. But as yet I have never met anyone who could state concisely what he meant by a "national fuel policy" or "national coal policy".

This government's policy in regard to coal has been clearly stated. For the past 26 years it has been the policy of this and other federal governments to assist Canadian coal to market by means of freight subventions. Those subventions are designed to make Canadian coal competitive with the United States imported coal. By the approval of the estimates now before this house this policy will be extended for the year 1954.

Assistance to the industry has also been given in other ways, as outlined in my statement to the committee, by research, by way of loans for mechanization, and assistance to the mine operators by way of studies of preparation and mining problems. Several hon. members have rightly stressed the importance of research. In my statement I outlined some of the research projects in which this government is engaged at the present time. We have one of our fuel division engineers in Europe studying and observing the experiments being carried on over there.

Just a few days ago the report of the British fuel commission was issued and it mentioned a new process being used in France, and I think also in Holland, to convert bituminous coal to anthracite. The chief of the fuels division in the last couple of days sent word to our man in England to be sure to look at this experiment before he returns.

[Mr. Prudham.]

Other forms of energy and fuel do not come under the jurisdiction of the dominion coal board, but just for a moment I would like to refer to these other fields of fuel and energy to show how they fit into the national picture. Up until a very few months ago this government had no stated policy in regard to natural gas for the simple reason that we had no gas with which to deal. Until the government of Alberta declared a surplus of gas for export this government had no jurisdiction. I need not take up the time of the committee to review recent developments in this field, because they have already been debated and carefully examined during the present session. To put it briefly, I might state that the government's policy was outlined by the Minister of Trade and Commerce, as recorded at page 2929 of *Hansard* of March 13, 1953, and I quote his words:

> Therefore the policy of the government of Canada is to refuse permits for moving natural gas by pipeline across an international boundary until such time as we are convinced that there can be no economic use, present or future, for that natural gas within Canada.

The government's gas policy has not changed since that statement, and I am sure hon. members are very pleased to note the progress that has been made toward the construction of the east-west gas pipe line.

Since 1907 the federal government has rigidly controlled the export of electricity from Canada. During the last war the government initiated a project which is known as the Chalk River project for the development of atomic energy. We are all very pleased to know that Canada is in the forefront of progress in this field. Canada's atomic research is directed to peacetime application.

The Minister of Trade and Commerce announced to the house just recently that the method of development of electric power from this source is now well advanced. The hydroelectric power sources in Ontario will soon have been fully exploited, and other sources such as natural gas, atomic energy, as well as coal and oil, will, of necessity, have to be used to supplement the hydro power.

In a country developing as rapidly as Canada, we cannot have a static or rigid policy. Any federal government policy in regard to resource development must, of necessity, be flexible and capable of meeting the challenge of changing conditions.

It is all very well for Premier Manning and the Social Credit members from Alberta to try to "pass the buck" to this government by making the vague statement that we should have a national fuel policy. I say that because I have here a press clipping which

quotes Premier Manning as stating, when he announced his $100,000 fund, that the only cure for this problem was a national fuel policy.

In 1930 the resources of the western provinces were transferred from this government to the provincial governments and with that transfer the provincial governments assumed the responsibility for the development as well as the benefit they would derive from these resources. Since 1935 the Alberta government has received in coal fees, rentals, and royalties, more than $8 million. During the same period the federal government has paid out $16,300,000 by way of freight subventions. This last figure does not include special wartime payments and production subsidies amounting to over $5,800,000. The estimates now before us provide more than $2,500,000 additional for the same purpose this year. The coal industry is suffering because of the development of gas and oil. I do not think it seems reasonable for the provincial government of Alberta to try to sidestep its responsibility with regard to coal simply by calling for a national fuel policy.

**Mr. Low:** They are not trying to sidestep their responsibility.

**Mr. Prudham:** Perhaps the press report is wrong. I am prompted to say this because of the press report of what Premier Manning said.

**Mr. Low:** They are not trying to sidestep their responsibility.

**Mr. Prudham:** I will accept the hon. member's statement. Because the coal industry is in difficulties, according to the press report, Premier Manning says it is up to this government to do something about it. I wonder what his attitude would be with regard to gas and oil? As long as they are making millions of dollars out of gas and oil, Mr. Chairman, you may be sure that they will consider that that is purely a provincial matter.

**Mr. Castleden:** Call it one o'clock.

**Mr. Prudham:** The Alberta government have done something about the coal industry. They have done considerable research and they are co-operating fully with our department. The hon. member for Macleod last night mentioned the fact that they are building a new research building and that this department is providing much of the technical staff. They have collected $8 million from the coal industry of Alberta since 1935. They are now offering $100,000 to help to move the miners out of the mining areas.

A fuel policy administered nationally would have to have teeth in it. A national fuel policy such as that asked for by several members—especially by the hon. member for Macleod—would be entirely ineffective without some form of rigid control. Of course, according to my understanding of Social Credit philosophy, that would be entirely in accord with the application of that philosophy.

**Mr. Low:** The minister does not understand it.

**Mr. Prudham:** I do not think anybody else does either. Such controls undoubtedly would include strict supervision of the development and production of all forms of energy. Those are powers which are beyond the scope of the federal government. Property, civil rights and natural resources are provincial responsibilities.

The federal government has an over-all responsibility to all the people of Canada for the co-ordination and the fostering of resources development. This responsibility is being discharged without regimentation and without interference with provincial rights. No one knows yet what effect gas will have on the fuel and energy situation in central Canada and no one knows what effect atomic energy will have. All these great sources of energy, including oil and coal, are the keys to the unlocking of our great natural resources. As long as this government is in power the national policy will be to encourage the best possible use of all sources of fuel and energy for all Canadians.

**The Deputy Chairman:** Shall the item carry?

**Mr. Low:** No, Mr. Chairman; call it one o'clock.

**The Deputy Chairman:** Would the committee like to dispose of items 237 and 238, under the heading of dominion coal board, before we rise for lunch.

**Some hon. Members:** Agreed.

**Mr. Low:** No.

At one o'clock the committee took recess.

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The committee resumed at 2.30 p.m.

**Mr. Low:** Mr. Chairman, I do not take part in the debate today because I feel that I have anything important to contribute to the solution of the coal problem in Canada, but I do feel that it is essential that I take a few minutes of the time of the committee this afternoon to give consideration to some statements which were made by the minister just prior to the lunch hour. However, before I do that I should like to state briefly the impression I got from the discussion that

has already taken place concerning this matter. I listened attentively last night and today to speeches made about the coal problem. I must say that I was impressed with the seriousness and the earnestness with which this problem has been discussed.

I particularly want to mention the speech delivered today by the hon. member for Inverness-Richmond. I thought his contribution to the debate was excellent and down to earth. He evidently has given a great deal of thought to this problem with which his own province is faced, and which is perhaps one of the great problems of the maritimes. I believe that the more we study what he had to say the more we will see in it by way of possible improvement in the coal situation.

I must say of course that the problem in western Canada is considerably different from the problem in the east, if for no other reason than the fact that we have been developing for some years now our oil and gas resources, and the outstanding development that has taken place has contributed in no small measure to the difficulties under which the coal mining industry carries on. We have in Alberta cheap natural gas and oil, both of which compete, in fact in many places more than compete, with coal. So there is little wonder that we have difficulty there.

It is quite true to say that the development of oil and gas in such quantities has contributed to the real problems faced by the coal people. In addition, we of course have great quantities of propane being used now far and wide by the farmers and other rural dwellers, so there is no wonder that there is difficulty. However, there are some spots which I think should begin to show a little light at the other end of the tunnel. I do not know how far we can look for relief for the coal industry to the experiments and research that are being carried out to try to find successful conversion methods. However, the other day I was talking with a man who seems to know something about conversion and he tells me that there is a good possibility that certain coals in the foothills of the Rocky mountains not too far from the city of Calgary could be converted successfully into electric power at the mine head.

The mining of the coal is quite cheap. The conducting lines for the electricity would be short enough to make possible the taking of the power to the northwestern United States and the selling of it there to the northwest power pool at a price that would make mining the coal a successful venture. I am told that there is a possibility that this sort of thing could develop in the next few years, and I have every reason to believe that the power situation in the northwestern United States is such that the people in the area would be glad to get power from such a source as I have mentioned, especially if the conversion of the coal into power can be accomplished at a reasonable price. Therefore we might perhaps see some such thing as that.

Let us suppose for a minute that the Alberta government, interested and very much concerned as it is in the question of helping the coal industry of the province, should make the efforts that they think should be made to encourage the building of great power plants in and near the coal fields. Let us also suppose that some arrangement could be worked out with the northwestern United States power pool to buy the electrical power and that we get the whole thing worked up to the point where agreements are about to be signed. I am going to ask the minister just how far the government of the province of Alberta could go without running into a very rigid federal policy.

**Mr. Prudham:** May I answer now?

**Mr. Low:** If the minister does not mind I would prefer that he answer that, along with some other points, at the end of my speech. I also have something more to say about this very subject. I draw that to the minister's attention for the reason that in his remarks this morning he seemed to forget the place that the government of Canada occupies in the control of fuel policy. I point out to him in the friendliest possible way that if Alberta were to go all out to develop the kind of thing about which I have been speaking it would not be very long until they would run smack into a rigid federal policy—

**Mr. Prudham:** No.

**Mr. Low:** —into which they would simply have to fit. They would have to come to Ottawa and get permission to export the power generated in that way.

**Mr. Prudham:** No difficulty.

**Mr. Low:** I am not saying how difficult or otherwise it would be. I am not talking about difficulty. What I am talking about is the fact, and I have reason for mentioning it. I said that I probably would not have anything very important to contribute to the solution of the coal problem, but in the minister's speech before lunch he became provocative, as I shall show. I know full well that the Liberal party is having plenty of difficulties in Alberta. That is no reason at all why the minister should make his every utterance with respect to the problems

of the province cheap and political, as the hon. member for Macleod said last night. In his summary today the minister indulged in some provocative statements which I shall examine, and they were again of a cheap, political nature. I hasten to admit that is his right and privilege if he wants to do it. Certainly it is. But I also remind the minister that he must not be surprised if, when such statements are made, we who come from Alberta reply to his political utterances, and reply vigorously, even if the hour to finish up the business is late and the house is trying to reach prorogation soon.

The minister sought to excuse his indulgence in provocative speech by saying that the question that was asked by the hon. member for Macleod on March 24 had political implications. Now, Mr. Chairman, I read the question again for the consideration of hon. members, and particularly the minister. It would take some long stretch of the imagination for anybody to see political implications in this question. As I considered it again at noon, I thought it was quite straightforward. I read it from page 3289 of *Hansard* for March 24:

> Has the government any knowledge of the report appearing in the Calgary *Albertan* that the coal mines in Coleman, Alberta, are to close down operations on March 31, and that other mines in the Crowsnest pass are likely to follow with shutdowns?
>
> If so, does the government contemplate any remedial action?

I have heard many questions asked of ministers in this session of a like nature which received straightforward replies in exactly the same tone and which were satisfactory. I cannot quite understand why the minister would avail himself of that question to try to excuse the political answer he gave on that occasion by saying he thought it had political implications. The fact is that the hon. member for Macleod told me there were no political implications; he had no underhanded motives whatever. He wanted to find out the truth about the situation because here was a tragedy happening in his constituency. How can anyone say that there are political implications in a straightforward question that affects the lives and welfare of hundreds, perhaps thousands of people who live in a particular constituency? I thought that the member for Macleod had been very mild in the way he asked the question.

I remember, too, on the very day, March 24, when the minister gave his reply about which the hon. member for Macleod complained last night. I thought then that some day the minister was asking for a dressing down, and he got it last night. Of course, because of that, he smarts under the dressing down the hon. member for Macleod gave him, and as a consequence I am going to show the house just how political the minister can get by way of retribution. There were several members who took part in this debate, and who asked the minister and the government to consider adopting a national fuel policy. The minister admitted that himself. He said several members in this debate have asked for a national fuel policy. There were, and I heard them.

The interesting thing is that when he dealt with national fuel policy he came right back to pick up particularly the hon. member for Macleod, who had asked, in the same way as others had, for a national fuel policy. Then, the minister proceeded to become somewhat abusive in connection with it, but never once to the others. What does it indicate? It indicates that he continues, day after day and week after week, to smart under the difficulties the Liberal party are having in Alberta. He cannot get his mind above that. In the course of his summary before noon, he said that certain subventions had been paid by the government of Canada to Alberta producers over a period of 26 years. Those subventions were designed to make Canadian coal competitive with the United States imported coal.

I ask you, Mr. Chairman, what better national policy there could be than to adopt those measures which would in very deed make Canadian coal competitive with imported United States coal? But the fact of the matter is that subventions have not done so, and the best evidence of that is that we continue to import into Canada a very large tonnage of United States coal each year. What we ask for when we ask for a national coal policy is a policy that, in very deed, will make it possible for Canadian producers, no matter where they are, to compete favourably with imported coal. In this way we could develop our mines to the point where we could be self-sufficient, as the hon. member for Lethbridge so well said this morning. What safer policy could we adopt than that which would induce the production of that amount of coal which would make us, in case of emergency, self-sufficient?

While the minister admits to a certain amount of national policy, also by his very words he condemns his own policy because it does not do what he thought it was designed to do. Now, that is the situation in a nutshell. In another part of his summary my hon. friend did mention a statement that had been made by the Minister of Trade and Commerce as recorded at page 2929 of

*Hansard* for March 13, 1953. I repeat what the Minister of Trade and Commerce said on that occasion:

> Therefore the policy of the government of Canada is to refuse permits for moving natural gas by pipe line across an international boundary until such time as we are convinced there can be no economic use, present or future, for that natural gas within Canada.

Now, the only reason I refer to the statement by the Minister of Trade and Commerce is that it has a direct bearing on something the minister said this morning. I should like hon. members to keep that statement by the Minister of Trade and Commerce in mind, because if there is a rigid policy that has been set out for governing fuels, that is the policy. When people talk about rigidity of controls, then well might we say, where can you find them more rigid than that?

The minister went on to say something like this: It is all very well for Premier Manning and the Social Credit members from Alberta to try to pass the buck to this government by making vague statements that we should have a national fuel policy. Now, why would he be so ready to go back to Mr. Manning and the Social Credit government of Alberta or Social Credit members from Alberta, in a statement of that kind? He goes on to explain he mentioned that because he had a press clipping that quoted Premier Manning as stating, when he announced his $100,000 fund for the rehabilitation of miners, that the only cure for the problem was a national fuel policy. Well, now, the hon. member for Cape Breton South demanded a national fuel policy, and others who spoke asked for a national fuel policy. But the minister had to go back and rebuke and criticize Social Credit members and, in particular, Mr. Manning, the premier of Alberta, because they asked for a national fuel policy. And he seemed to think that he had to make some political capital out of that. We have all been asking for a national fuel policy; and you now have at least part of an element of a national fuel policy, some of which is exceedingly rigid and some of which is not.

What is the harm then, what is the sin, in asking for a national fuel policy? Well, of course my hon. friend, as I said before, criticizes us particularly because he carries around a political chip on his shoulder all the time. He seems to feel that he has enemies around here.

He very wisely made the statement this morning that the coal industry is suffering because of the development of gas and oil. But he then tries to hook on to that this further statement, that he did not think that it would seem reasonable for the provincial government of Alberta to try to sidestep its responsibilities with regard to coal simply by calling for a national fuel policy. And then, a little later on, he went on to say that the Alberta government are doing something about coal. Then he paid tribute to them for what they are doing.

I point out to the minister that the federal government, by virtue of the fact that they have accepted certain definite responsibilities in connection with mines and technical surveys, and coal, have upon them the obligation to develop a national fuel policy. We are discussing right now, as a matter of fact, item No. 237 which deals with the dominion coal board, and I notice that the minister is asking us—we are not asking him, he is asking us—to give him $10,365,014 to administer the national coal policy. And then, because we are discussing an item like that for $10 million to administer a national coal policy, he takes political umbrage at our demanding that we be given a sight of that policy that the government are not administering. That is all.

And when we ask that there be a policy, one which no province in Canada by itself could possibly lay down and carry out, from the very nature of our federal arrangement, we run into this difficulty, that the minister turns around and says he thinks it is unreasonable for a provincial government like that of Alberta to try to sidestep its responsibility with regard to coal by simply calling for a national fuel policy. I point out to the minister that the province of Alberta is not attempting to sidestep its responsibility or to throw it off on to him, or anybody else. But we do ask that, when the government or people of this country put up several millions of dollars a year for the administration of a fuel policy, they be given that policy.

That is the whole story. We feel that we have a right to ask for it and that he has no excuse for dragging it into the gutter of politics.

**Mr. Prudham:** Down to your level.

**Mr. Low:** The minister said some other things which I think must bear examination. He said in the course of his speech before lunch that he wondered what the attitude of Mr. Manning would be with regard to gas and oil. And then he threw out this rather pointed statement that "as long as they are making millions of dollars out of gas and oil, Mr. Chairman, you may be sure they are considering that it is purely a provincial matter".

Now, Mr. Chairman, that was entirely uncalled for. That was straining to try to find some way to vent his political spleen, particularly in respect of Mr. Manning's attitude with regard to oil and gas—and the minister knows it. I seem to have to remind him quite often about these things. Mr. Manning and his government sought by every possible means within their power to find a good market for oil and gas when, by excellent administration, they had achieved their development. Now, in his efforts to find a market, especially for gas, he found himself up against a policy declared by the federal government, which policy forbade the government of Alberta seeking a market in the middle western United States. But Mr. Manning said that he would support the federal government policy in Canada. He also said he would co-operate to the fullest extent, Mr. Chairman, even though there were some disabilities attached to the policy with regard to the price to the producers.

It was known by everyone who had gone into the matter fully that the best market for Alberta gas would have been in the middle western United States. But we did not fight that. Mr. Manning said, "Certainly, since the federal government has laid down a specific policy, we are acquainted with it and we will work with it." That was the attitude of the premier of Alberta with respect to gas and oil. And they did not for one second attempt to say that it was a provincial matter, as the minister has charged this morning. I will repeat his words—"I wonder what the attitude of the premier of Alberta would be with regard to gas and oil. So long as they are making millions of dollars out of gas and oil you may be sure they will continue to consider that it is a purely provincial matter."

We do not. We consider that it is a federal matter, and we have co-operated, the province has co-operated, with respect to such matters. And if the minister would just try to be fair about it I am satisfied that he would say so.

We have not at all considered oil and gas as a purely provincial matter. We have fitted in with the federal policy, and we want to make it work in the interests of Canada. No matter what the minister says, he cannot get away with what he said. The Alberta government wants to be as co-operative as possible with every minister in this government, and I am satisfied that they have been so.

I want to come to one other point which I believe is very important. The minister said this morning that the Alberta government had done something about the coal industry. He admitted we had achieved quite a good deal in research, and he went on to say that Alberta co-operated fully with his department. Well, if that is so, why in the name of common sense did he go out of his way to attack them in this house?

**Mr. Prudham:** Just answering an attack.

**Mr. Low:** Why did he go out of his way to show his political bias when, at the same time, he said they co-operated fully with his department? It is a pretty poor way to go about getting co-operation. And it was done simply because the hon. member for Macleod—and it was for no other reason—proceeded to dress the minister down for a distinctly different reason, that the minister came back and attacked the government of Alberta. In trying to cast some further reflection upon Alberta he makes the statement that the Alberta government has collected $8 million from the coal industry of Alberta since 1935. And he goes on and adds to it—for the purpose of belittling them and for no other reason—that we are now offering $100,000 to help move the miners out of the mining area. There is no other reason in the world for his putting it that way. It is just a straight case of attempting to belittle. I want to point out to the minister that he is not correct when he says that the government of Alberta collected $8 million since 1935 from the coal industry. It was not from the coal industry. What the government of the province of Alberta did in that period from 1935 was to collect something like $8 million as rental for the people of Alberta from the use of one of the people's valuable resources; that is all, a straight rental for the purpose of reimbursing the people of the province for the use of one of their resources.

I know exactly what the minister has in mind. For a good long time the policy of the Liberal party has been to dispose of the people's resources by deed of gift and so forth to political adherents so that they could work them and get the income for themselves. That has been done for many years.

**Mr. Prudham:** Give us one instance.

**Mr. Low:** Yes, I will give you one instance. All you have to do is to take a look at what the Sifton family got out of Alberta. I had a chance to look at it, because I was in a position to look at it, a straight deed of gift to political heelers.

**Mr. Prudham:** The hon. member had better take a look into some of his own treasury house deals.

**Mr. Low:** I have had a chance to look into this, too, and all the answers the minister

is capable of making here this afternoon will not help him to colour his case against Alberta. I say that the purpose of the statement he made about the $8 million income and the $100,000 to help the people in the mining areas was simply to try to belittle the government and minimize the truth.

I do not want to take too much more time, but I do want to end by referring to a national fuel policy. By way of showing some grievance, the minister referred to a national fuel policy such as that asked for by several members. He emphasized that asked for by the hon. member for Macleod, and said such a policy, especially that asked for by the hon. member for Macleod, would be entirely ineffective without some form of rigid controls. And he repeated, "Of course, according to my understanding of the Social Credit philosophy, that would be entirely in accord with the application of their philosophy".

Now, Mr. Chairman, I am asking the minister to take the speech of the hon. member for Macleod and show this committee one instance, one small fraction, of difference between the national fuel policy that he asked for and the one asked for by the hon. member for Cape Breton South. There was not a single difference. He asked for a national fuel policy. That is what the hon. member for Cape Breton South asked for, and the hon. member for Digby-Annapolis-Kings, and many others. There was not the slightest difference between them, and yet the minister comes out and tries to cast aspersions by saying "especially that asked for by the hon. member for Macleod, would have to have rigid controls and that is in accord with the Social Credit philosophy."

Let me tell the minister that the hon. member for Macleod did not advocate a fuel policy involving rigid controls at all. Social Credit does not involve any such policy. He will have to take my word for it this afternoon, because I am not going into a debate on Social Credit policy. If he wants to at some time or other I shall give him plenty of opportunity to do so, and when that time comes he will not debate it. The thing I want to point out to my hon. friend is that he has used his talents particularly for the purpose of trying to cast aspersions when he should have been doing his level best to try to work out better methods of co-operation, because I am here to tell him that we cannot possibly solve the coal problem—it is a serious one in this country—unless we have the utmost of co-operation between provincial governments and the dominion government; and some vision, courtesy and courage. We are prepared to go into such an arrangement of real co-operation, and we will do it without getting down into the mud of politics. But we expect the minister to play the game decently.



Item agreed to.

Administration services—

*210.* Departmental administration, $470,422.

**Mr. Herridge:** I shall be only two or three minutes. I see the Minister of Finance looking rather anxiously at me. I listened with a great deal of interest to a number of speeches on the coal industry of Canada and I have every sympathy with the members who are concerned with the difficulties. I must congratulate the hon. member for Inverness-Richmond particularly, whose speech was the product of a trained mind, and who speaks with exactitude and uses language with precision. I enjoyed it very much indeed.

I just want to take two or three minutes to bring to the attention of the committee the fact that we have a number of mining communities in the southeastern section of British Columbia that are suffering from a depression as the result of a drop in the price of base metals. These communities were built up as a result of early day exploration and this has resulted in the investment of large amounts of capital in mines, in communities and in public services.

I do wish to bring to the attention of the minister the fact that the companies, trade unions, and communities concerned are very anxious that he frequently nudge the elbows of his colleagues to make certain that this situation is kept under review and that everything be done that can be done to protect the interests of these people.

I am going to read briefly from a resolution I have received and then conclude, Mr. Chairman. This is the opinion of a good many organizations in the district:

> The Slocan district board of trade is greatly concerned over the possibility of the United States government imposing a higher tariff on lead and zinc entering the United States.
>
> It costs as much to produce these metals in this area as it does in the western states and we are already paying 0·75 cents a pound duty for lead and 0·6 cents a pound duty for zinc.
>
> Any increase in the tariff would cause further hardship in an area which is already depressed due to the low price of these metals, and would certainly delay the re-opening of several properties which are hoping to operate in the near future.
>
> We strongly urge that the government of Canada make every effort to see that Canada is not placed in the same category as those countries which are in a position to dump these metals at low prices, due to the fact that they do not pay wages near the level enjoyed by American and Canadian workmen.

Then I have a letter here from one of the local unions. They are asking for governmental attention to this question and government support, and are urging that if necessary the government take retaliatory measures, if the Americans increase the tariffs on these metals, by increasing the charges to the United States on such desirable Canadian natural resources as nickel, asbestos, uranium and any other which lends itself to that purpose.

I bring this to the attention of the minister because I promised the organizations concerned to mention it in the house before this session closed. I do urge the minister to use every means in his power to protect the interests of the mining communities concerned, and if necessary by the imposition of duties on the products suggested.

**Mr. Michener:** There are two minerals produced in the province of Ontario which deserve a brief mention at this time. The first is natural gas. It may be thought by many hon. members that, because of the vast natural gas fields in western Canada, those are the only sources of natural gas in Canada. The fact is that Ontario is a very old producer and is still producing natural gas, and is discovering new fields every year. The recent discoveries of natural gas in southwestern Ontario indicate a supply which will be of considerable importance in the domestic market. I raise this, Mr. Chairman, because the minister is concerned with natural gas which crosses provincial boundaries, and my point deals with the protection of the local producers of natural gas which would seem to be the concern of both this government and the government of Ontario. Recently arrangements were made to import natural gas across the Niagara frontier and at Windsor in very substantial quantities, and I understand that substantial contracts have been made with the Union Gas Company Limited which is the main distributing agency in that area. I think the two governments who bear the responsibility in this matter should attempt to secure for the local producers of natural gas a fair share of the market when these substantial quantities of imported gas, both from the south and in due course, we hope, from western Canada, become available; otherwise the development of the many undiscovered gas pools in Ontario will be retarded and the industry stifled.

The other mineral with which I wish to deal is gold, and the provisions made under the Emergency Gold Mining Assistance Act are, of course, a saving factor in that situation. I shall not take the time to go into the problem in detail. My concern is mainly with the gold producers of Ontario, and the fact is that of the 78 gold mines which were producing in 1939 only one-third are in operation today. As everyone knows, that is due to the double handicap of the reduction in the price of gold which they mine, amounting to $4 per ounce or 11 per cent, and the increase, on the other hand, in the cost of production, materials and labour. The cost of materials between 1940 and 1953 ranged from a 48 per cent increase in the cost of dynamite, to 246 per cent increase in the cost of spruce planking used in the mines. In the same way the cost of paper used in the mining industry rose in the same period by 100 per cent. The position of the gold producers compared with the producers of other metals is quite striking. Nickel has enjoyed an increase in price of 29 cents to 57 cents, or an increase of 97 per cent; newsprint has increased by 152 per cent, and other natural products have increased in proportion, so that this problem which has been recognized by the provision of a statutory subsidy in these estimates is one which I am sure will not be overlooked by the minister in the immediate future.

I am not one of those who believe that this condition will continue. I am confident that gold, as a monetary base, will assume its former position in due course as the basis for a broadened international trade, and I am confident that a new price, in conformity with its scarcity value and its proper relationship to other prices, will be re-established. It is significant that in March of this year the buying and selling of gold on the open market after a lapse of 15 years was resumed in London, and there are many other factors which indicate that a monetary system based on gold was one of the casualties of the war. I think that socialistic experiments will in due course be found necessary in any broadened international trade picture.

I am not going to labour that point because much business remains to be done. But I did want to make that passing reference in order to assure the minister that the Ontario producers of both these minerals are watching developments with interest.

**Mr. MacLean:** Mr. Chairman, it is not my intention to make a speech on this occasion because I realize that a number of members of the committee have train reservations for next Wednesday and I think it would be desirable that we should not go beyond that date. However, there is a question I would like to ask the minister regarding the general administration of his department. I noticed

on looking at the amounts indicating the requirements for increases in pay that percentagewise these seem to vary from one branch to another. I will give a few examples as I have roughly figured them out. In the administration of the department the bulk increase in salary seems to be eight per cent, whereas in the mines branch administration it seems to be seven per cent. In the surveys and mapping branch, the hydrographic part, it seems to be three and a half per cent, and in the geodetic survey it seems to be three per cent. In the international boundary commission it is two per cent, and in the legal surveys and aeronautical charts branch it is five per cent. In the map compilation and reproduction branch it seems to be ten per cent. Could the minister say something about the variation in the increases?

**Mr. Prudham:** Mr. Chairman, I can quite understand my hon. friend's question. In previous years we had an establishment which was not always filled. We had positions set up and in many cases we did not have persons for those positions. That is the reason why there is a discrepancy between the various branches.

While I am on my feet I would like to answer the hon. member for St. Paul's. He asked about the control of production and sale of gas in Ontario. The Ontario government recently passed an act to control the production and import of gas into the province and it will be under that act that the gas will be controlled.

**Mr. Michener:** I was concerned about the importation of gas because that seems to me beyond the original jurisdiction.

**Mr. Prudham:** There is very close co-operation between this government and the Ontario government and if they present a problem of that kind I am sure it will receive very careful consideration.

The hon. member also mentioned the number of gold mines at present in operation and, I believe, he has been misled by our 1953 statement. Reports from the various mines that apply for gold mining assistance often come in after the close of the fiscal year. The number of mines in operation in 1953 after reports were in was 91, 63 of which were auriferous mines, 23 placer mines, and five on the free market.

**Mr. Michener:** I was just referring to the gold mines in Ontario, not in the whole of Canada. The figures would naturally differ from those in the report.

**Mr. Prudham:** Before we go further, Mr. Chairman, I should like to pay a word of tribute to the hon. member who first spoke on the estimates of this department. I refer to the late hon. member for York West. He made a quite lengthy statement and it was a very constructive one. I may say that he was always courteous. He was always an advocate of private enterprise. He believed strongly in the increasing use of gold in our economy. I believe the last words of his in the House of Commons are typical of his whole belief and attitude with regard to the importance of the great mineral resources of this country. On March 19 he concluded his remarks in this way, as reported at page 3184 of *Hansard:*

> . . . I sincerely hope that I have shown you, sir, and to hon. members who may not be interested in mining as much as I am, that today the greatest internal challenge we have in Canada is the development of our natural resources.

His passing is a great loss to this parliament, to the mining community and to the whole nation.

Item agreed to.

Explosives Act—

*211.* Explosives Act—administration, operation and maintenance, $97,988.

**Mr. MacLean:** Mr. Chairman, I am sure that all members of the committee, especially those of this party, appreciate what the minister has said. We in this party join with him in his words of regret that the member of this committee who took such a keen interest in the minister's department was so tragically killed in the aircraft accident at Moose Jaw.

I have one question to ask on this item 211. Can the minister tell us whether the new explosives laboratory of his department which was being built out near Uplands is in operation?

**Mr. Prudham:** Yes.

Item agreed to.

Mines branch—

*212.* Mines branch administration, $81,158.

**Mr. MacLean:** I should like to take this opportunity of pointing out to the committee the great importance of a new metal which is being developed in this country. I have in mind its great importance in the light of new developments in the aircraft industry with the advent of the jet engine. I refer, of course, to titanium. It is a metal that has not been used commercially to any great extent up until now but it has properties which are suitable for new developments in the design of high performance jet engines. I wonder whether the minister could make a brief statement as to what progress his department is making with regard to the concentration, analysis and reduction of titanium, especially with reference to the deposits in eastern Quebec.

**Mr. Prudham:** I have here a report from the deputy minister which I think will cover what my hon. friend is asking for.

The Department of Mines and Technical Surveys has been instrumental in bringing together all phases of a potential titanium industry in Canada. Total annual titanium requirements in Canada are at present negligible but it is estimated that by 1960 Canada will be able to support a titanium industry about one-tenth the size of the United States industry. The largest Canadian use for titanium metal would be in aircraft manufacture.

Mines branch has assessed the technical practicability of the various titanium production methods being contemplated in Canada and has supplied the Department of Defence Production with data which might be of assistance in formulating policies with regard to government encouragement of the development of a Canadian titanium industry. The branch has given technical assistance to both Dominion Magnesium Limited, and Shawinigan Water & Power Company during the development of their respective processes. The quality of the titanium produced by each process has been evaluated.

Primary or sponge titanium now sells for from $4.50 to $5.00 a pound in the United States. Under the pressure of competition and by taking full advantage of technical advancements, the currently-used Kroll process could probably produce primary titanium to sell for $3.50 a pound. Shawinigan estimates that a plant using its electrolytic process could produce titanium at a rate of 1,000 tons per year to sell for about $3 per pound. The Shawinigan process is a distinctly Canadian development and would use titanium raw material from Canadian ores. However, it has only been proven on a large laboratory scale, 4 pounds per day per cell. There are admitted unknowns to be encountered in expanding the scale of operations ten times, a step necessary for commercial operations. The government is assisting Shawinigan in the preliminary stages of this expansion.

The mines branch has a broad titanium research program well in hand. This program covers all phases from the treatment of Canadian titanium ores through purification of the metal to melting, alloying, forging, and casting of titanium. Knowledge gained during this program will be available to any Canadian industry engaged in titanium processing or use.

Item agreed to.

217. To provide for payments to McGill University in connection with the development of a coal-fired gas turbine, $100,000.

**Mr. MacLean:** I wonder whether the minister has any further progress report that he might briefly make with regard to the research at McGill University?

**Mr. Prudham:** Several hon. members were down to see the Mordell plant some time ago. Since that visit the plant has been in operation for long periods at a time, and no additional difficulties have been encountered. The men in charge of our fuels division are quite optimistic about the project. As I said in my opening remarks, the next step will be that of making practical use of it. No one knows exactly where it will find the most useful application. I know that some industrialists are looking at it with a view to producing power units. As I said, the railways are also watching it. As I mentioned this morning, one of our engineers is at present in England studying a similar effort there. We are also co-ordinating the results of the Mordell experiment with experiments in the United States.

Item agreed to.

Geological survey of Canada—

Geological surveys—

218. Administration, operation and maintenance, including the expenses of the national advisory committee on research in the geological sciences, an amount of $1,500 for Canada's share of the cost of the committee on mineral resources and geology, London, England, and an amount of $25,000 for grants in aid of geological research in Canadian universities, $2,235,425.

**Mr. Michener:** It is interesting to note the extent to which the geological survey is taking to the air. This estimate includes $145,000 for the charter of aircraft as against $30,000 last year. This is probably significant of trends in mapping and geological surveying. I recall that an extensive aerial survey of Ontario was under way some years ago by the provincial department of lands and forests. I assume that other provinces have been doing surveys of that kind. I also assume the work at all levels of government is made available one to the other and co-ordinated so that there is no overlapping or duplication. On this particular point I would be interested in knowing what firms and aircraft are used by the department in the course of this service.

**Mr. Prudham:** The department only controls one aircraft. We usually call for tenders for specific types of work, and through the air transport board the work is allotted to the firm that has the best equipment and the most favourable price. I think the increase

that my hon. friend referred to is accounted for to a large extent by a helicopter operation that is under way at the present time between Hudson bay and Yellowknife. It is a geological reconnaissance, and a party of about eight men is able to do in one season what it would ordinarily take a ground party twenty-five years to do.

**Mr. Michener:** Would the minister give the name of the company whose aircraft were chartered last year and, if it is settled for this year, what company will be doing the work.

**Mr. Prudham:** We hire aircraft from a great number of companies. It is difficult at the moment to give all the names, but we can do that.

**Mr. Michener:** Would the minister table a list of the companies whose aircraft were chartered last year and the amount paid to each?

**Mr. Prudham:** Yes.

**Mr. Michener:** And if there are current contracts, the same information for this year.

**Mr. Prudham:** Yes.

**Mr. Noseworthy:** Can the minister give us a break-down of the item of $25,000 to Canadian universities?

**Mr. Prudham:** The allocation of the $25,000 has not been finally agreed on for this year. Nearly all the major universities participate. I have it for last year. The distribution last year was: University of British Columbia, $1,494 and $1,800 or a total of $3,294; Dalhousie University, $650; University of Manitoba, $1,500; McGill University, $1,500; McMaster University, $4,435; Queen's University, $4,077; University of Saskatchewan, $2,563; University of Toronto, $4,550; and University of Western Ontario, $2,410.

**Mr. Low:** Can the minister tell us what is the basis of the allocation to the universities?

**Mr. Prudham:** The projects that the university is willing to undertake. I am told that we usually get about twice as many requests as we have money available for but it is used to assist projects that it is thought will be of value in the opinion of the department.

**Mr. MacLean:** Under this item I notice there is $1,500 for Canada's share of the cost of the committee on mineral resources and geology, London, England. Could the minister say briefly what are the activities of that committee?

**Mr. Prudham:** That money is to support a continuing committee that is supported by all commonwealth countries as a clearing house for information from the various commonwealth countries and a liaison for the exchange of scientific information.

Item agreed to.

220. Surveys and mapping branch administration, $53,012.

**Mr. MacLean:** I should like to make a brief comment with respect to the policy of naming new topographical features such as lakes and so on in rather remote parts of Canada in honour of certain veterans of the last war who gave their lives in the service of their country, usually under very special circumstances. I was especially pleased to learn of this scheme. It gave me pleasure because I know, for example, that a lake in northern Manitoba has been named after one of my crew who was murdered by the gestapo. Having said that, I have two brief questions for the minister on this item. Has the vacancy on the Canadian board of geographical names, created by the death of Senator Jones, been filled or will it be filled shortly? I should also like figures on the revenue derived last year from the sale of aerial photographs by the national air photographic library.

**Mr. Prudham:** Each province has a representative on the board of geographical names, and there are representatives of the department as well. They act independently of the department. Each provincial representative, I believe, submits the views of his own province with regard to names. Senator Jones' position has not been filled yet. With respect to the revenue derived from the sale of aerial photographs that does not come under this item.

**Mr. MacLean:** Perhaps the minister could table that information later.

**Mr. Prudham:** I am told the Department of National Defence sells the photographs. They have the negatives of all photographs and any reproductions are secured from that department.

Item agreed to.

Canadian hydrographic service—

224. Construction or acquisition of new equipment, $1,612,945.

**Mr. Michener:** How many boats are operated by the hydrographic service?

**Mr. Prudham:** There are nineteen in all. Seven are what might be termed large ships, and then there are ten launches and some other small craft.

**Mr. Michener:** Are they in all the coastal waters of Canada?

**Mr. Prudham:** Yes, as well as inland waters. The smaller launches are operated on inland waters.

**Mr. Michener:** There is an item of $9,000 odd here for laundry and dry cleaning which I suppose is a rather unusual item in connection with the operation of these boats.

**Mr. Prudham:** That would cover the linen, laundry and uniforms of the crews.

**Mr. Michener:** Of the nineteen boats?

**Mr. Prudham:** Yes.

Item agreed to.

Geographical branch—

*231.* Geographical branch—administration, operation and maintenance, including a grant of $250 to the Canadian association of geographers, $283,385.

**Mr. MacLean:** Can the minister tell the committee what progress is being made in the production of the new Canadian atlas?

**Mr. Prudham:** It is expected that it will be finished next year.

Item agreed to.

DEPARTMENT OF AGRICULTURE

*30.* Marketing service administration, $287,343.

**Mr. Herridge:** When the minister's estimates were before the house, I made a plea on behalf of the apple growers of Canada and particularly British Columbia, that every effort be made to regain our markets in Great Britain. I asked the minister to inform the house what his department was doing in this connection. In his reply the minister overlooked my question and I should like the parliamentary assistant to give me any information he can.

**Mr. McCubbin:** In reply to the question asked by the hon. member, Mr. Chairman, all I can say at the moment is that our deputy minister and the deputy minister of trade and commerce are attending a conference in London. Unfortunately, they are not back yet, neither have we a report from them. I am sorry I cannot give the hon. member a better answer, but I hope there will be a satisfactory answer when they come back. They were certainly going to bring up this question of apples at that conference.

**Mr. Nowlan:** In that connection, Mr. Chairman, I know it was only a few days ago that Mr. Peter Thorneycroft, the president of the board of trade in Great Britain, was here. The Minister of Agriculture and the Minister of Trade and Commerce had consultations with him, as well as did representatives of the fruit industry of Nova Scotia and possibly British Columbia. I know the British Columbia representatives were in Toronto, and I believe they also met him here in Ottawa. I wonder if the parliamentary assistant could make any comments on the conference that took place here, even if he cannot make comments on the one that may be taking place on Monday in London?

**Mr. McCubbin:** In respect to that, Mr. Chairman, I may say that during these consultations the minister mentioned the question of apples to Mr. Thorneycroft. He said that this matter would be discussed at the conference in London, so the matter was left there.

**Mr. Nowlan:** I know the parliamentary assistant is always optimistic. Can he not give us an optimistic statement now?

**Mr. McCubbin:** I am an optimist, and I am optimistic on this occasion. However, I cannot express any opinion until a report is received from those attending the conference.

**Mr. Nowlan:** In connection with marketing service administration—perhaps my comments could come under this item or under a floor price item—I should like to draw the attention of the parliamentary assistant to a situation which was created in the east last year. Quite frankly, I believe it reflects on the marketing administration. There was an agreement entered into, to which the department was at least a party, with respect to a marketing scheme for Prince Edward Island potatoes. Subsequently, owing to the efforts of New Brunswick members, that scheme was enlarged to embrace the potato growers of New Brunswick. With respect to that, we have no complaint whatever. I think the members from both New Brunswick and Prince Edward Island deserve consideration, and undoubtedly they negotiated a proper agreement and one which, in so far as possible, safeguarded their interests.

Unfortunately, at least in so far as the scheme with respect to Prince Edward Island was concerned which was the first one and perhaps was not based on the same experience as the New Brunswick scheme, there was no provision made to provide for orderly marketing. In order to get the price that was guaranteed the growers had to get rid of their crop before a certain date, and no restrictions whatever were placed on them. As a result the growers moved the potatoes into the most available market, the market which naturally appealed to them, and that was the Nova Scotia market where everyone would like to move if they had the opportunity. Since the Prince Edward Island personnel could not move there, they moved their production and flooded the Halifax market with potatoes to such an extent that the Nova Scotia growers suffered very heavy losses. Frankly, I think somebody slipped in that connection.

I can remember not too many years ago when a marketing arrangement was entered into between the apple growers of Nova Scotia and the dominion government. It was not actually a marketing arrangement, but it was an arrangement into which the government entered and one of the conditions of that arrangement was that the Nova Scotia grower could not ship any apples to either Ontario or Quebec during the growing season. In other words, the growers in Ontario and Quebec were receiving some protection because of the fact that the Nova Scotia grower received some moneys from the dominion treasury. I feel the same principle should have been followed with respect to the marketing of potatoes. I want to bring that to the attention of the parliamentary assistant.

I know the parliamentary assistant is conversant with it, because the matter caused a great many headaches and many discussions. I have a file a foot thick with respect to it, containing complaints from Nova Scotia growers. I reiterate that we have no objection to any agreement entered into with the Prince Edward Island growers or the New Brunswick growers, but there should have been a stipulation attached to that contract that would not have allowed them to dump, because that is what they did, their production in Nova Scotia. They dumped these potatoes into the Halifax market and Prince Edward Island potatoes were selling far below the cost of production and shipment from the Annapolis valley to that market. The same thing happened to a lesser extent in Ontario and Quebec. There were protests from Ontario and Quebec growers with respect to that. To put it mildly, it was not an intelligent deal. As a matter of fact, to express it frankly, it was a stupid deal, and one which I believe the department should watch very carefully in future. In making marketing agreements we should see that, as a result, we do not create a disorderly market instead of an orderly market.

**Mr. Charlton:** Since the hon. member for Digby-Annapolis-Kings has referred to this potato situation I may say there has been considerable controversy in Ontario regarding it. I did have some correspondence with the chairman of the prices support board and I believe that the situation will be ironed out in another year. It did cause considerable concern amongst the Ontario and Quebec growers, but since the situation has been pointed out by the Ontario potato producers organization I hope something will be done about it before another year. I think I mentioned before, when the minister was here, that there seems to be a considerable amount of difference between the postage and telephone rates in all the items. I wonder if the parliamentary assistant can explain the difference this year as compared with last year.



**Mr. White (Middlesex East):** Mr. Chairman, I should like to support what previous speakers have mentioned with regard to the marketing of potatoes last year. I have no doubt representations have been made to the parliamentary assistant, because he represents Middlesex West, which is a good potato growing area.

As I have said all along, the price support program has been a dismal failure. And it has been a failure so far as the potato growers in Ontario are concerned, because the maritimers were subsidized and allowed to bring potatoes into Ontario.

**Mr. Nowlan:** Please excuse Nova Scotia.

**Mr. White (Middlesex East):** It might be Nova Scotia next year. If the program does not apply to the whole crop right across Canada, then the result is that one group of people is paying to subsidize the other. I suggest that is not a satisfactory way to do it. I have no doubt the parliamentary assistant is aware of this situation and will probably take care of it.

**Mr. Montgomery:** Since New Brunswick potatoes have been brought into the picture I think I should say just a few words. The hon. member for Digby-Annapolis-Kings, from Nova Scotia, and the hon. member who has spoken from Ontario, may be dissatisfied, and I think they have some grounds for their complaint. I think, too, that during the last season the department learned a good many lessons in this connection.

To be quite frank about it, I am inclined to be in favour of the present program. At least theoretically, to my mind it is a good thing. I come from a constituency which is known as one of the greatest potato growing areas in Canada, one which depends almost entirely upon the potato crop. It is clear that when people must depend upon one particular commodity to sustain their economy they are in great difficulty when something goes wrong.

Down my way certainly the people are not all happy, but there are some who are. I am in hopes that the department has learned its lesson. If such an agreement is entered into in another year I believe all the provinces asking for the agreement should start off on a target date. In other words, one province should not be allowed to enter the agreement before another and start selling its potatoes earlier. While Nova Scotia may have a complaint, we certainly had one

during the fall and previous to January 1954. Because, as soon as the Prince Edward Island board entered the picture, they knocked the price down on the market. This meant that anyone else who tried to arrange steady and orderly marketing could not do so. However, when New Brunswick came on the market under a board, Prince Edward Island and New Brunswick boards co-operated. If Nova Scotia wants to enter the picture with Prince Edward Island and New Brunswick they will have to have a board.

I think it should be insisted upon that a certain date be fixed at which all boards will begin to operate. So long as any one board is operating separately there will be some difficulty.

Then there is another point I would like to mention. This spring in my area there were a few farmers left with practically 90 per cent of their potatoes on hand, either in their cellars or in their potato houses. They just could not get rid of them, although they had signed up with the board. Only a few days ago I received a letter from a man who still had 90 per cent of his potatoes, and who claims he signed up early in the winter. However, the board has never called for any of his potatoes. This man is only one of a certain number who find themselves in that position. They have to take a loss, because they get nothing unless they deliver their potatoes to the board. On the other hand, those who got rid of their potatoes received more money than if they had been operating on a free market.

It may be urged that this matter is outside the jurisdiction of the federal Department of Agriculture, and that may be true. I suggest however that the federal department might use considerable influence, and if the growers want a floor price, the department could say to them, "You must take the potatoes from the farmers on a percentage basis, similar to that which obtains in connection with wheat deliveries in the western provinces, where they take so many bushels per acre." In this way one farmer would not be able to sell three or four thousand barrels of potatoes while another has to hold his until the following April or May.

Anyone who knows anything about the potato business knows very well that after May 10 potatoes shrink very quickly, unless they are in a very cool potato house. Once that starts the inspector comes along, and there is tremendous shrinkage. You find you cannot sell your potatoes, because we know that the consumers will not buy potatoes that are shrivelled and sprouted. Once potatoes have sprouts about ten inches long they lose their flavour and will not sell. So it is important that every farmer be treated as nearly as possible in the same way, so that everything would be sold through a marketing board.

I am wondering if Ontario really suffered very much. Had a board been set up in this province I doubt very much whether they would have been guaranteed a price greater than would have been in line with the cost of production and the movement of their potatoes to the market in Ontario. I doubt very much if they lost money because boards are operating in the maritime provinces. And before I take my seat I would draw the attention of people in Ontario who are producing potatoes, or producing anything else, to the terms of confederation which state that we are to have some preference when entering this market.

**Mr. Charlton:** The parliamentary assistant has not answered my question concerning postage and telephones.

**Mr. McCubbin:** I intend to answer, but I have been listening to the potato discussion, and I wished to deal with all those subjects when I spoke. I will not forget what the hon. member has asked.

**Mr. Charlton:** I believe that is the end of the potato discussion.

**Mr. McCubbin:** As the hon. member for Middlesex East has said, I come from a potato growing district. Many of the farmers in my constituency produce potatoes. The criticism I have heard from three hon. members is one I have heard in my own riding. In Ontario we could have come under a co-operative marketing plan, just as Prince Edward Island and New Brunswick have. Nova Scotia could have done so, too. Unfortunately in Ontario this year we have not done that. The result has been that potatoes have been coming into Ontario from those other two provinces and depressing our market. Our potato growers do not like that. It is hard to overcome, of course, unless we have a potato marketing scheme of our own —which we hope we will have in other years. It was my privilege just a few months ago to go down to North Carolina, in the United States, which is a great potato-growing state, as hon. members know. In that state there is a market for a lot of the maritime potatoes. They like our potatoes. I was glad to hear them say they liked the potatoes that come from the maritime provinces. The committee knows that 95 per cent of the seed in that state comes from Prince Edward Island, which speaks well for the potato growers of that province. That is the way we like it, but nevertheless in that state I heard the same criticism that is heard here, that some

other states farther west were growing potatoes and shipping them over their borders and depressing their markets. The problems that we have here are the problems that they have down in the United States as well.

Of course we like to have interprovincial trade even though it sometimes hurts us; but we hope, as the hon. member for Digby-Annapolis-Kings mentioned, that next year we shall be able to work it out on a better basis even though we did suffer during the past year.

Item agreed to.

*31.* Agricultural economics, $630,153.

**Mr. Fulton:** Perhaps I should have dealt with this when the hon. member for Kootenay West asked his question about apples, but I thought it came more directly under agricultural economics. On June 11, I asked the Minister of Trade and Commerce a question about the likelihood of our getting a substantial order in re-entering the United Kingdom market for apples, because I had noticed press reports to the effect that the United Kingdom had indicated they were able to allocate dollars for the purchase of cheese. That indicates that as a result of the improvement in their economic situation over there they should be able to become once again a substantial purchaser of food from this continent. That certainly is our hope. I understand it is theirs. However, the Minister of Trade and Commerce said in answer to the question on June 11, as reported at page 5829 of *Hansard*:

> So far as fruits are concerned, we have had an indication that the United Kingdom is allocating dollars to cover purchase of certain canned fruits, but negotiations regarding apples are still in progress.

That was confirmed by what the parliamentary assistant has just said to the hon. member for Kootenay West, as I understood the answer. Since the United Kingdom is again becoming a potential market for Canadian agricultural produce, there is no group of agricultural producers in this country more interested in re-entering that market than the apple producers, and particularly those of British Columbia, I venture to say, to whom that market was more important than to any others. Perhaps my hon. friend from Nova Scotia might say it was equally important to them, but certainly it was very important to the apple producers of our province. In the discussions with the United Kingdom, is anything being said or done with respect to obtaining some concessions on the tariff treatment accorded to Canadian apples? The parliamentary assistant will remember that up until 1947 or 1948 we enjoyed a preferential tariff with the British market which was abandoned. Coincidentally with the abandonment of that preferential tariff, the British stopped buying anyway because of the shortage of dollars. The indications are now that they will be a potential apple-buying country. Is anything being done to restore to us that advantageous position in the British market which was of such great benefit to our apple producers?



**Mr. McCubbin:** Every avenue that can be explored is being explored. That market has been a good one in years gone by for British Columbia apples as well as Nova Scotia apples, and we hope it will be some time in the future, and I hope that the future is not too far away. I am sorry I cannot give a more favourable reply, but I am always optimistic. Unfortunately I cannot give any better reply at this time.

**Mr. Fulton:** Perhaps the parliamentary assistant does know what lines of approach are being taken by the Canadian delegations. Were any instructions issued to them on the basis of which we shall be able to say we are exploring this line or that line?

**Mr. McCubbin:** Every avenue that can be explored is being explored. We are doing that.

**Mr. Fulton:** Are we justified in assuming from that that this line of approach is being pursued?

**Mr. McCubbin:** Yes, every avenue.

**Mr. Charlton:** I want to ask the parliamentary assistant a question about the cheese deal with Great Britain this year. Has he anything to say about that?

**Mr. McCubbin:** I am sorry; I cannot give an answer to my hon. friend except that he knows as well as I do that the Ontario people are over there right now and are trying to enter into negotiations with the British for the purchase of Canadian cheese. We have not had any report from them as yet.

**Mr. Charlton:** I hope that the dominion Department of Agriculture and the dominion government are doing more to help the Ontario producers this year than they did last year to sell the cheese.

**Mr. McCubbin:** They will help them every year.

**Mr. Charlton:** They did not help last year.

**Mr. Nowlan:** I do not intend to enter into any discussion on this matter of agricultural economics, although frankly I was the one

who asked to have it stand over because I knew that the hon. member for Kamloops had something to bring up. I also had something I wanted to raise at this time. I do not think now is the opportune time to do it because of the schedule under which we are working.

**Mr. Fulton:** We have until the end of next week.

**Mr. Nowlan:** We may have until the end of next week, but at the same time I do not want to be the person responsible for holding us here until the end of next week. Item 31, having to do with agricultural economics, which we are now discussing, certainly opens up a wide field. I think it suggests a weakness in our system, in trying to consider these matters at such a late hour when we cannot possibly discuss them in the way in which we should. The minister is not here now, and I am not going to ask the parliamentary assistant to engage in any philosophical discussion on the matter, but I am wondering just what the department does think about it, and I am simply raising this now so that another year, when we reassemble and the same situation exists, the departmental spokesman, the minister and the parliamentary assistant should be in a position to discuss this matter, because it goes to the root of the whole agricultural problem.

I am thinking, for instance, of a letter I had the other day from one of the larger farmers. I am not sure whether his facts are right or not, but he said in that letter that a producer in Holland, such as he, was subsidized to the extent of $4 an acre. He said: "I have a thousand acres in production and therefore I could earn $4,000 from the government if I were in Holland, and no wonder I could sell my products at such a price". He referred to a Scotch immigrant who was working on the farm who said that on the farm on which he was working in Scotland just before he came out, when a cow gave birth to a calf it was subsidized to the extent of £19.10s.

**Mr. Dickey:** For the cow?

**Mr. Nowlan:** For the cow; I am sure the hon. member for Halifax will appreciate these facts if he stays here long enough. For the cow and the calf there was a subsidy of £19.10s., which is more than this particular grower could get for several head of cattle. I know the minister spoke about the fact that it was difficult for us to compete in world markets because of our cost of production. It is not only the cost of production; it is the cost of subsidization on the other side with which we are in competition. We have had a great deal of talk recently from our western friends, the wheat growers, about incentives to wheat production. They are encountering difficulties which agriculture in general has encountered.

I think it goes to the root of our problem. I should like to know what the minister thinks about it, and what the department feels about it. Are we waiting for the rest of the world to cut out these practices, as we think they should, or are we going to do something to meet them? In the meantime, what happens to our agriculture while we are caught in between the two positions? I am not suggesting what position we should take, but I do suggest that it goes to the very root of the agricultural problem of this country today.

I hope that when these estimates are before the house a year from now we shall at least have a greater opportunity to discuss them and perhaps in some way have the department suggest to us the policy which they propose to follow, and hon. members, by intelligent discussion and co-operation, can help hammer out a policy which will assist agriculture at this time.

**Mr. Jones:** I should like to add a word to what the hon. member for Kamloops and the hon. member for Kootenay West have already said about the British Columbia apple industry. The minister is fully aware that for the last thirty years our apple industry has been geared up to the United Kingdom demand for apples. We pruned trees, planted varieties and did everything we could to meet the demands of that market, and that was done at the original suggestion of the federal government. We carried out their wishes to the best of our ability to produce the exact type of apples they wanted in the United Kingdom. I understand the situation today is that the British people like our apples very much, but before they can import them they require some sort of concession on the part of the Canadian government whereby there will be a balance of trade. Does the parliamentary assistant know if any concession has been offered with a view to regaining the market in Britain for apples? One other question. In connection with the negotiations now taking place, is there a member of the fruit industry from British Columbia taking part in these negotiations?

**Mr. McCubbin:** Mr. Chairman, I understand there is no one from the fruit industry at this conference in London but, as I told the hon. member for Kamloops, every possible avenue is being explored, and everything we can do will be done. When the delegates

report back perhaps some of the things mentioned will require to be taken into consideration, but I cannot, of course, comment on that at this time.

**Mr. Fulton:** Does the parliamentary assistant know whether our delegation has been authorized to make any offer which would make it possible for us to get back into this profitable market?

**Mr. McCubbin:** No, they have a wide open field.

Item agreed to.

44. Prairie Farm Rehabilitation Act and water storage, $3,899,245.

**Mr. Coldwell:** Mr. Chairman, just before this item is carried I might just say that I do not want to enter into another discussion this afternoon on the P.F.R.A. and I do not intend to say anything controversial at this point. I simply want to say that I was in western Canada last week and visited my own constituency for a few days. As hon. members know, that is the constituency that would be most affected favourably by the Saskatchewan river dam project. I merely wish to tell the government this afternoon, though I observe there is no minister present and, of course, the parliamentary assistant does not attend the meetings of the cabinet—

**An hon. Member:** There is one minister here.

**Mr. Coldwell:** I did not notice the Secretary of State, but perhaps he will be able to carry my message. I want to tell the minister that, having just returned from my own constituency, I know there is considerable disappointment at recent statements that have been made in regard to this project. I want to say on behalf of my constituents that they hope that consideration will be given to this matter in the near future so that it can be proceeded with without delay. It may be said at the moment that irrigation is not necessary. I quite agree that, with some farms under three to six feet of water, it does not seem to be the time to be discussing irrigation. But those of us who have lived in western Canada for 40 years or more, as some of us have done, know there are periods when there is dry, drought weather, which involve the country in very large expenditures for feed and for the relief of the stricken population. It seems to me that, when we have wet years, that is the time to prepare for the dry years which must inevitably follow. I do not wish to discuss this subject in a controversial manner this afternoon or to argue once again in favour of it, but all I would simply say through the parliamentary assistant, or the Secretary of State, if you like, is that the people I represent in this house are very anxious to have this matter settled and proceeded with. They feel the provincial government has made a generous offer to bear a large part of the expenditure, indeed larger than I anticipated the province would or should be called upon to bear, but that offer has been made and they are prepared to stand by it. I am taking this opportunity, perhaps the last opportunity this session, to express the hope that serious consideration will be given to this project and that it will be undertaken in the near future.



**Mr. Tucker:** Mr. Chairman, I hesitate to delay the committee at this period of the session but this matter is of such importance to the people of Saskatchewan that I think hon. members will forgive me if I take a few moments to deal with it, especially in view of the fact that it is several years since I have spoken on this matter in this house. Members will have seen the answer which was given to the question I asked of the ministry and which was reported in yesterday's *Hansard*, and that answer discloses a situation which I would like to draw to the attention of the government.

I am aware of the fact that the Prime Minister and the government have taken the attitude that they will recommend this South Saskatchewan river dam project if they are satisfied that the required expenditure is warranted as in the public interest. I would like to say that it is the attitude, certainly at least of the majority of the people of Saskatchewan, that they can have great faith in the fairness of the Prime Minister and the present government. They are satisfied that if and when a case is made out for the construction of this project it will be unhesitatingly proceeded with. It is in that spirit that I make these few remarks this afternoon.

**Mr. Coldwell:** Does the hon. member think a case has been made out? I am quite sure he does.

**Mr. Tucker:** As far as I am concerned, I am satisfied that the project should be proceeded with, but I realize that we must convince the people of the other nine provinces of Canada, and it is with that idea in mind that I speak. I feel that if we can place the facts before our fellow citizens in the other provinces of Canada and the Prime Minister and prove that we have a good case then I have no doubt as to what the decision will be.

The answer to the question I asked yesterday discloses a situation which must lead

our people to ask themselves how the problem it discloses is to be met. I asked what the population of Canada was according to the census of 1941, and I then asked what the estimated population was now, and for the population of the various provinces in 1941 and now according to the latest estimates. The answer I received is to be found at page 6609 of *Hansard* and it reveals that the population of Canada as of June 2, 1941, excluding Newfoundland, was 11,506,655. The estimated population as of June 1, 1953, was 14,398,000, also excluding Newfoundland. That shows that our country had had a splendid increase in population during that time, and an increase that should make every Canadian gratified. We had an increase, without considering Newfoundland, of 25·6 per cent. In other words, in that period of a little bit over a decade our population had increased by one-quarter. But when one looks at the population of Saskatchewan, instead of our sharing in that great development in which we all take such pride we find that our province's population has decreased during that period by 3 per cent. It is the only province in Canada which had a decrease during that period.

**Mr. Gour (Russell):** That is because they have a C.C.F. government.

**Mr. Coldwell:** That is not the reason, and the hon. member knows it.

**Mr. Tucker:** It is pointed out that there is a C.C.F. government there and that that is the reason for lack of development. But I am also saying that other things should be taken into consideration as having to do with that situation.

During that same period Prince Edward Island had an increase in population of 11·5 per cent; Nova Scotia, 14·7 per cent; New Brunswick, 17·2 per cent; Quebec, 28·1 per cent; Ontario, 29·3 per cent; Manitoba, 10·9 per cent; Saskatchewan, as I say, had a decrease of 3·9 per cent. Alberta had an increase of 25·9 per cent; British Columbia, an increase of 50·4 per cent; Yukon, an increase of 83·2 per cent; Northwest Territories, an increase of 33 per cent. There is the picture of our growth that I think every Canadian should look at. If there is anything that can be done by the federal government to see to it that Saskatchewan shares with the rest of the country in that great forward march, I think it should be done. I am sure that everybody in all the rest of the provinces of Canada would be ready to do anything within reason to help us to share in that development. When it is remembered that every other single province has had a tremendous increase in population, that our country as a whole has had an increase of 25 per cent, and that we in Saskatchewan have gone back during that period of the greatest development our country has ever known so far as population is concerned, it seems to me that we have a case to put before not only this government but the provincial government.

A royal commission was set up to make an investigation into this matter. I do not intend at this time to go into this matter otherwise than to suggest a few important points. The royal commission considered the question of irrigation and the advantages of irrigation. I would point out that, from that standpoint, there is a strong case to be made out for the construction of this as an irrigation system. It can irrigate about half a million acres. In periods of drought those half million acres would produce feed and fodder which would help to maintain our livestock industry in a substantial part of the province. That result in itself, outside of the increased production on irrigated lands, would have, in stabilizing our agriculture, an effect which it is hard to estimate.

Any farmer who went through the period of the drought in the thirties and who had perhaps spent almost a lifetime in building up a herd of valuable cattle knows what happened. It got to the point where the dominion government, to try to help us out, was even fetching in fodder from as far away as Nova Scotia. Obviously the attitude had to be taken that as much livestock should be disposed of as possible. The farmers had to dispose of cattle at as low as one cent a pound. Herds were practically wiped out and the savings and work of hardworking people disappeared because of what happened. Had there been a place in the province, 500,000 acres in extent, which could have been put to growing fodder and feed, that situation would not have needed to develop.

The farmers in Saskatchewan realize that, while we are having plenty of rain today, just as sure as they live in that great central plain, drought will come again. They also realize that if nothing fundamental is done, they are going to be up against the same difficulty again, that of not having feed and fodder for their herds. That realization has a deterring effect upon the building up of our mixed farming industry in Saskatchewan.

Surely if we want to increase our population we must encourage our people to go into mixed farming and not to go more and more into the field of bigger and bigger grain farms. When the latter course is followed, it means, of course, that farm people have to go elsewhere in order to make a living as

farms get bigger and bigger, and bigger machinery is used. The people in the rest of Canada I am sure are deeply interested in seeing to it that the farming population of Saskatchewan is not cut down year by year because, of course, in the long run that cut will also mean that the urban population of Saskatchewan will begin to diminish.

There is another angle to the irrigation problem. There are people who need to be settled upon land. Irrigation would provide farms upon which we could resettle many people who are today looking for land. It would help in that regard. So much for the advantage of the scheme from the irrigation standpoint.

Then there is the question of electric power. The province of Saskatchewan today is engaged on a program of farm electrification. Last year I think they connected almost 6,000 farmers with electricity. While I was in the legislature out there, I unceasingly took the attitude that if we were going to halt the trend of farmers away from the farms and into the cities, we had to give the people on the farms the same amenities of life and the same comforts as they would have if they lived in the city. One of the ways in which that may be done is by having electricity on the farms.

The government of Saskatchewan has embarked upon an energetic farm electrification program which I advocated strongly and which I am glad to see now being gone ahead with. We are told that 75,000 farms in Saskatchewan can be connected economically with electricity. That program not only will tend to keep people happily on the farms but it will also promote mixed farming. It will make it more profitable. It will make mixed farming more efficient and it will make it possible to do it more economically. If we can in that way halt the trend away from the country and into the cities, and halt the trend away from mixed farming to large grain farming, by constructing this dam project thereby making electricity available more cheaply—and especially when the provincial government is ready to pay the cost of that feature of it—surely it is something that should be done. But it cannot be done unless the dam is put in there. That is an important consideration.

There is also the matter of industrial development. We realize that the reason why some other provinces have gone ahead so fast is that they have benefited by great industrial development. To have industrial development you need minerals and electricity. You need gas, perhaps; but above all, you need plenty of water for most modern industrial processes. In most of the settled area of Saskatchewan there is not a large constant supply of water. It looks as though we have plenty of natural gas to provide for a great increase and expansion in industry. But, in order to have that increase, we need to have plenty of water for industrial purposes. That is a feature that I think was not given due weight in the report of the royal commission. The royal commission dealt with the question of irrigation and dealt with the question of electricity. They dealt with those two items mainly, but they did not deal with the social value of this project from the standpoint of laying the foundation for the over-all expansion and development of our province.

So far as the question of developing electricity and irrigation is concerned, it is quite true that for some time the project perhaps will not much more than pay interest on the capital invested by the federal government. I think that it will do that in a very short time after it is completed. I think the studies showed that the increase in agricultural production would amount to at least $6 million in value, taking the value of that production at average prices for farm products over a long term. The way things stand today I think we can look for prices not to go back to the low level of previous years, but even with that conservative estimate the increase in value of agricultural production would be at least $6 million. I think it also is the experience that if you have an increase in the income of your farmers by $6 million it will lead to an over-all increase in the income of other people by at least twice that amount, which suggests that at the very minimum the increase in production as the result of this irrigation project would be at least $18 million.

About 20 per cent of the national income is paid in taxes, and 20 per cent of $18 million would amount to $3·6 million. If you consider what the dominion would have to spend on the project, even assuming that it would be far more than the amount of $70 million envisaged by the last conference of experts, even supposing that the dominion would have to spend $100 million, with the government getting their money at approximately 3½ per cent the amount of $3·6 million I have just mentioned will carry the interest on $100 million. That is from the irrigation aspect alone. On top of that you have to consider that there will be cheaper electricity and plenty of water provided right in the midst of the settled area of Saskatchewan which is bound to lead to a tremendous industrial expansion because we have the other necessary element the minerals there.

We have 80,000 square miles of the Pre-Cambrian shield right in Saskatchewan. This is the same shield, the same mineral formation, that is providing the iron in Labrador, the same formation that has resulted in the establishment of various mines in northern Manitoba and Ontario.

If Saskatchewan could get electricity and plenty of water, instead of being the weak link in the development of our country it would, I am satisfied, become one of Canada's soundest and strongest links. That is a feature to which I suggest the royal commission did not give enough attention, the effect that the project would have upon the industrial development of our province.

As I said at the outset, I do not intend to impose on the good will of the committee at this particular moment, but I suggest that we recognize the fact that in the past hundred years we have had at least three bad periods of drought in western Canada. I have been told by people who went into that area in the nineties that it was so dry that there were cracks in the ground into which a horse's leg would go. I went through the period of drought in the thirties. If hon. members had seen what some people had to go through during that period they would certainly want to do something about it so that when drought comes again, as come it will, the people of that part of Saskatchewan will feel that their fellow citizens in the rest of Canada have taken concrete steps to try to protect them against a recurrence of the worst effects of that terrible experience.

The people of Saskatchewan appreciated the attitude of the rest of Canada in providing them with help during the last drought period, not only help in the form of grants of money but in supplying them with vegetables and other things to help them over that difficult period. But the people of Saskatchewan would like the people of the rest of Canada to take steps to enable them to fight what lies ahead themselves without having to ask for assistance.

**Mr. Coldwell:** Hear, hear.

**Mr. Tucker:** That is what I say to my fellow citizens of the rest of Canada. You were generous when we needed help in the thirties. You did not hesitate to put through a very fine measure of help in the form of the Prairie Farm Assistance Act to protect our farmers in the event of drought. This has been a great thing for the farmers of western Canada. We have one of the finest systems any place in the world under P.F.R.A. of bringing light land under grass, providing small irrigation schemes, dugouts and so on. I have been told by people who have some experience in these matters that the P.F.R.A. scheme put into effect by the people of Canada for western Canada is one of the finest in the whole world.

The scheme I am now suggesting will cost quite a bit more than any of these other projects, but with Canada strong financially and in every other way, with Canada still rapidly growing in strength and having in mind the things that we could do in the thirties and forties, surely we can say now that here is a scheme that will provide a really solid foundation which will carry and supplement these other things if we run into a bad drought again. I suggest that the saving by the irrigation of the land alone in respect of the P.F.A.A. will amount to close to half a million dollars a year on the average. A saving of that proportion will be well worth while in helping to pay the cost of carrying this dam proposition.

**Some hon. Members:** Oh, oh.

**Mr. Tucker:** I know that it is already referred to in that way by a lot of people in western Canada. I hope that it is regarded otherwise here—as something in connection with which we may look to our fellow citizens of the rest of Canada with confidence. We take pride in what is being done in other parts of Canada. Now, above all, western Canada takes great pride in the fact that Canada said that, if necessary, she would go it alone on the St. Lawrence seaway proposition, that she would no longer be held up by the unwillingness of the United States to participate. I say, Mr. Chairman, that far away as we are from the St. Lawrence, there was no place in all Canada where there was more approval of that attitude of the government of our country than there was right in Saskatchewan.

We are great supporters of the idea of the development of our country. The people of Saskatchewan, coming as they do from pretty well all parts of the western world, have become a group of people who have a very firm devotion to Canada as their country. The people of Saskatchewan are 100 per cent behind anything they see that will help Canada to stand on its own feet, anything that is necessary to lay the foundation for an even greater country. All we ask is that the people of Canada generally look at our situation and realize clearly that we do not want to be the weak link in the chain of the development of our country in an agricultural way, with the possibility of another drought hanging over our heads. All we ask is that our fellow Canadians realize that we are not experiencing the great development that is being experienced in the rest of Canada, that our sons and daughters are

having to leave Saskatchewan and go elsewhere to make a living, that our population is going down while that of the rest of the country is going up. We say to the rest of Canada: We rejoice in your prosperity and development but give us a chance to pull our weight. If you will give us that chance you will have reason to be proud of Saskatchewan just as Saskatchewan is proud of Canada.

**Mr. Knight:** Mr. Chairman, I cannot very well refrain from saying a word or two in this discussion since my own city is the city which, of all cities in Canada, would benefit most from the proposed dam. I too am not going into any controversial aspects of the question, and I congratulate the hon. member for Rosthern on the very good speech he has made. I am glad to hear he is totally in favour of the project. We will have to change the minds of some of the people of Canada and we will have to change the mind of the Prime Minister. While I do not agree with him, may I say that I admire the honesty and integrity of the statement the Prime Minister made when he said that he did not yet see that the national interest would be served by this amount of money on this particular project. I think that is an honest attitude. The only thing to which I have ever objected in the speeches that have been made by hon. members on the other side of the house is that this project has been used, I am afraid, as political bait before elections. I believe the Prime Minister's forthright statement previous to the last election, and it was an honest statement, has done much to clear the air in that regard.

I was afraid the hon. member for Rosthern was going to get off the track on which he had promised to keep when one of his colleagues interjected something about the population of Saskatchewan having decreased because we had a C.C.F. government there. Both the hon. member who made the interjection and my hon. friend who, for the last five or six years, has been fighting that government, know perfectly well that is not true.

**Mr. Tucker:** If my hon. friend says I know that quite well, I will not accept it because I believe that, if it had not been for the fear of that government during at least its first two years, private capital would have entered the province and we would have had a greater development than we have.

**Mr. Coldwell:** There was a drop in population before the C.C.F. government took office.

**Mr. Knight:** My hon. friend was going to leave politics out of it.

[Mr. Tucker.]

**Mr. Tucker:** I did not mention it until my friend suggested I knew something which I did not say. I tell him that I believe the Saskatchewan C.C.F. government has contributed substantially to the failure of our province to develop faster than it has. If my hon. friend wants my belief from me, he gets it; that is what I believe.

**The Chairman:** The hon. member for Saskatoon has the floor and cannot be interrupted without his consent.

**Mr. Tucker:** I rose on a question of privilege. The hon. member suggested I had said something I knew perfectly well was wrong.

**Mr. Knight:** I want to say to the hon. member for Rosthern—

**Mr. Tucker:** I tell him that he himself knows his own city would have had greater development. A big metal smelting plant would have been established in Saskatoon instead of Edmonton if natural gas had been found shortly before it was. The provincial minister of highways said that just the other day.

**Mr. Coldwell:** The Liberals in power found no gas.

**Mr. Knight:** What I said was, the hon. gentleman who interjected tried to persuade my hon. friend from Rosthern to adopt the idea that the reason for the decrease in population in Saskatchewan was due to a C.C.F. government, when he knew, and the hon. member for Rosthern knew, that that was not the fact. I did not suggest the hon. member has not always told what he believed upon every occasion upon which he has been attacking the C.C.F. government in Saskatchewan. In so far as this point is concerned, the hon. member has started something and I do not want to continue it. I could talk for 40 minutes on this, if I wanted to do so, but no one wants to hear me and I do not want to do so.

However, the hon. member for Rosthern did say something about Saskatchewan being the weak link in the development of Canada. He said, in rebuttal of what I had suggested, that apparently it was still the weak link in Canada because people could not invest their money as a result of the fear of the Saskatchewan government. I would refer him, therefore, to a survey made by Professor Britnell of the University of Saskatchewan, a man for whom people have the highest respect for his ability as an economist, a man who has gone to foreign countries to assess situations and been

greatly praised for his findings. I find that Professor Britnell, at page 450 of the report, had this to say:

> Thus, over a five-year period, annual capital expenditures exactly doubled in Alberta, increased by 71 per cent in Saskatchewan, but—

Why should I read about Manitoba?

**Some hon. Members:** Oh, oh.

**Mr. Knight:** All right.

> . . . by only 21 per cent in Manitoba, as compared with 61 per cent for the whole country.

I am not suggesting the hon. member for Rosthern does not tell the truth. I am simply giving Dr. Britnell's findings in the economic survey, which, so far as I am concerned, I am prepared to accept. The total investment in Canada from 1948 to 1953 went up by 61 per cent. In Saskatchewan, it went up by 71 per cent, or 10 per cent higher than the national average. I did not intend to start any controversy, but then I do not mind taking on my hon. friend any time either in Saskatchewan or elsewhere. My hon. friend has been doing his best out there for the last six years and now he is back here. I shall say no more about that.

I was going on to say a word about the causes of the decrease in population. I must not say what my hon. friend knows quite well, because he will assert something else. My hon. friend has been playing around too long with the Minister of Agriculture, so he has various answers to fit various occasions. However, everybody knows that the depopulation of Saskatchewan, if indeed it is serious enough to be called that, has been due to the mechanization of the farms. My hon. friend knows that. It is also due to the fact—

**Mr. Tucker:** Your hon. friend does not know that at all. The same thing has happened in the rest of Canada; so far as mechanization is concerned they have had it too, and their population has gone up.

**The Chairman:** I must ask the hon. member to allow the hon. member who has the floor to proceed without interruption.

**Mr. Tucker:** Let him not say that I know something that I do not know. Let him make his own speech.

**The Chairman:** I do not believe the hon. member has any point of privilege, and therefore the hon. member for Saskatoon should be allowed to proceed.

**Mr. Knight:** I am rather pleased that my hon. friend has returned—

**Mr. Tucker:** Let the hon. member for Saskatoon deal with the matter before us.

**Mr. Knight:** The hon. member has been so quiet these last few months, we have hardly been able to believe it. I am quite intrigued that he is coming back into character. This mechanization did have a serious effect on the population, and it occurred at the time the boys went to the last war. They went to the last war to serve their country, and when they returned from overseas they found the farms mechanized to such an extent there were much larger farms and there was no place for many of them to fit in.

Let me again congratulate my hon. friend upon what he said. I shall not say what he said or did not say, because that is not safe. I do want to say a word about this business of rainfall. Some people have argued that this dam is not necessary because this year we have a lot of water, in fact perhaps too much so far as wheat is concerned. What we need in Saskatchewan to increase our population is a change in the type of farming; that is, to some extent to get away from wheat farming and get to the farming of such things as beet sugar, cattle and all the rest of it.

What rain we have had this year, and we have had plenty, is not yet sufficient for that type of farming. If we had a rainfall which would permit successful mixed farming of that type, to grow beet sugar and the like, it would be so great it would simply ruin our wheat crop. We have to have water, therefore. What we do want is water in a moderately dry climate; water which must be put on that land by artificial means. We will have a new type of farming. I do not believe we will have the same farmers we have now. I doubt very much if the same farmers in Saskatchewan will be willing to get out with a hoe, a shovel and in long rubber boots to push water around the place. They have been on a tractor too long for that.

This whole question ties up with immigration. We will have people, for instance, from Holland, a country that does that sort of work. We can get very good people if we can show them an area where there is irrigation. We would not get them to come there and carry out practices which it had not been their life's work to do. When the Canadian Pacific irrigated the land around the Bow river there was no difficulty whatever in selling the farms at high prices for those days, $75 an acre to people from the United States who had been working on irrigated land. So they came in there and, so far as I know, they have prospered. At any rate they have done their own province of Alberta and Canada as a whole some good. I would like to see more of that sort of thing in Saskatchewan.

In the circumstances I shall not say more. I must say I was surprised a moment ago to hear that here in the house we are operating tonight on a schedule. I hope that is true, although I am afraid that perhaps it is not. In any case, owing to circumstances, I shall not pursue the argument any further. I hope that from now on this dam will be something to which we can look forward. And if I may take the risk of again incurring the anger of my hon. friend, I would suggest that I hope he or the Minister of Agriculture or any other Liberal speakers from now on will not use this subject any more as political bait, until the head of the government of this country and the cabinet make up their minds that, in all circumstances, this expenditure is justified from the point of view of the good of the whole nation, as I believe it to be.

**Mr. Herridge:** Mr. Chairman, I am pleased to see this vote for P.F.R.A., but I am sorry that, to date, the government has not seen fit to extend its application to British Columbia. We all realize its excellent advantages more and more as we hear discussions between members from both sides of the house.

For years the farm organizations in British Columbia have been urging the government to extend the terms of this act to British Columbia. And my British Columbia colleague from Kamloops has been foremost in the House of Commons in advocating this same policy. I wish to say that I support that request, and I trust that when these estimates come before us again the legislation will be so amended that there will be provision for this type of work in British Columbia.

**Mr. Fulton:** Mr. Chairman, I cannot allow this item to pass without making my bow to the hon. member for Kootenay West for the way in which he also has agitated for the extension of this act to British Columbia.

**Mr. Dinsdale:** Mr. Chairman, I am not going to carry forward the discussion on the Saskatchewan dam. It is not because I lack interest in it, because I do feel it is very important to all the western provinces. But I would like to bring to the attention of the committee again the problem of conservation and flood control on the Assiniboine river. We do not hear very much about this subject.

**Mr. Harris:** That would come under item 50.

**Mr. Dinsdale:** I am referring to a P.F.R.A. project.

**The Chairman:** Item 50 deals with the Assiniboine river, diking and cut-off.

**Mr. Dinsdale:** It could come under that item or, I suggest, it could come under this one.

[Mr. Knight.]

**Mr. Harris:** Go ahead; speak up.

**Mr. Dinsdale:** The only time we have any discussion of this subject is during the annual consideration of the estimates. Perhaps the reason we do not hear so much about it is that members from Manitoba are not so vociferous as members from Saskatchewan. This subject has been under consideration since 1886. Last year when I questioned the Minister of Agriculture on the matter he referred me to a report on conservation and flood control on the Assiniboine river that was prepared by the P.F.R.A. branch, and completed and published in December, 1952.

I discover in that report a very comprehensive consideration of the whole problem. I raise this matter at this late hour in the session because throughout the day, today, over the radio I have been hearing that flood conditions on the Assiniboine river have reached the city of Brandon, and that the mayor of that city has requested that a large section of the low-lying area be evacuated.

The last press dispatch I have on the subject, dated Saturday, June 19, appears in the Brandon *Daily Sun* as follows:

> The city works department employees are busily engaged in building temporary dykes and the civil defence committee is preparing emergency accommodation for use in case evacuation of the homes in the threatened area becomes necessary.

That has now become necessary, and once again the flood tide is rolling through the Assiniboine basin. I am sorry the Minister of Agriculture is not here, because he is fully cognizant of the problem. In 1950, when the Assiniboine river last reached flood level, he made a personal visit to the area and examined the situation for himself. The report to which I have referred recommends two major projects in flood control and conservation in the Assiniboine basin. I refer to the Russell reservoir at Russell, Manitoba, and the Portage la Prairie diversion. These two projects are actually proposed in connection with the larger flood program in the city of Winnipeg. Because, as hon. members know, the Assiniboine eventually flows into the Red river at Winnipeg.

I should like to ask just what has been done in regard to the report published in 1952. As I indicated, the minister said last spring when we were considering the estimates that the matter was under consideration. As this condition has been developing from 1886, and has been under consideration since that time, I would hope this year that some specific information might be available as to what the department contemplates in regard to the recommendations of the report.

**Mr. Harrison:** I should like to say a word or two regarding the Saskatchewan dam

development. I am somewhat in agreement, for a change, with the hon. member for Moose Jaw-Lake Centre, in what he said the other evening.

**The Chairman:** Order. I am sorry to interrupt the hon. member, but perhaps this is the best time to do so. It being five o'clock, the house will proceed to the consideration of private and public bills.

## HOUSE OF COMMONS

FINAL REPORT OF COMMITTEE ON PROCEDURE

**Mr. Speaker:** If I may have the indulgence of the house, I would like to present the second and final report of the special committee appointed to consider the procedure of this house. It is not intended to move concurrence in this report at this sitting.

## PRIVATE BILL

JOSEPH DELPHIS GUILLAUME DELORME

The house resumed, from Tuesday, June 22, consideration in committee of Bill No. 434, for the relief of Joseph Delphis Guillaume Delorme—Mr. Hunter—Mr. Applewhaite in the chair.

On clause 1—*Marriage dissolved.*

**Mr. Pickersgill:** Mr. Chairman, I rise for the purpose of making an appeal to certain hon. gentlemen opposite. I listened this morning to the very eloquent words of the hon. member for Winnipeg North Centre in another context, in which he said he thought it was a queer sort of democracy where one person could say no and deny something to three people who want to say yes. He said in another context that he thought the will of the majority should prevail and the will of the minority should not be allowed to thwart it. It seems to me, sir, that everything that can usefully be said on this bill has already been said and there is no reason why the house should not divide on it and the will of the majority prevail. I appeal to the hon. gentlemen opposite to follow out the precepts that were laid down by their spokesman this morning.

**Mr. Knight:** Mr. Chairman, I would point out with due respect to the Secretary of State that we on this side of the house know something about private bills; that these divorce bills are not government bills. We know that the Prime Minister has made that abundantly clear upon every occasion upon which he has spoken upon divorce in this house. We on this side of the house have had the experience of moving private bills and we have had the experience of having to put up with the fate that happened to them because some member or two or a dozen on the government side of the house did not agree with our philosophy or perhaps with some particular issue which was the subject of our private bill.

This bill was last considered on Tuesday, and I gave the house due notice then—and I have heard nothing from the Secretary of State except what he has just said now in regard to it—that I was opposed to the passing of this bill; that I proposed to debate that question; that I proposed to show the reasons why I am opposed to the granting of this divorce. Thus it is that I am not likely to bother too much about the evidence which would support the view opposite to my own, and I shall be exceedingly proud—I said "proud", because I know the ability of the Secretary of State as a debater—if he will rise in his place and argue the other side of the case. Let me remind the Secretary of State that the only time—I should not say "the only time", because technically this bill has been before this house four times; but on one occasion at least it did receive some consideration owing to the fact that the hon. member for Burnaby-Coquitlam happened to notice the thing as it passed through the mill. It happened to be a big fat divorce bill—I think that was the term he used—so he thought he would read it. Even after that it passed all these stages. From then on I concluded that this bill should not pass. It was a perfect example of the way this house does not perform its duty in scrutinizing these measures.

Yes, we have this committee of the Senate, of course. It has proven not to be infallible. I said this: I am prepared to debate this bill and I am prepared to debate every bill where I think there is a reasonable chance of killing the bill, provided that there might be injustice involved. I do not say that about bills which are unopposed. I know that in these unopposed bills there is collusion and plenty of it; but where the home is broken up, if these people have agreed to live apart, if they are living apart, if there is no purpose to be served in joining together or trying to join together people who are incompatible, then I am not bothering too much about it. But where there is a woman—and there is a woman in this case—or a man to whom any injustice is done, I shall fight that case and I shall fight every case on the floor of this house, and I shall fight it in the miscellaneous private bills committee.

My hon. friend talks about passing this bill being the will of the majority. I tell him that if every man in this house were taken out behind the curtains and you asked him

to look you in the eye and say honestly and say from his heart whether he is in favour of the way in which this House of Commons, the Senate and this committee deal with these things, if he is an honest man he will look you in the face and say: I am sick and tired of this rotten thing; let us get it out of the forum of this House of Commons.

**Mr. Hosking:** What about the petitioner? My hon. friend has told us of his attitude toward divorce.

**Mr. Knowles:** What about the woman?

**Mr. Castleden:** And separation allowance?

**Mr. Hosking:** I am talking about the petitioner.

**Mr. Knight:** I know my hon. friend believes in simply rubber stamping whatever the Senate has done. I do not believe in that.

**Mr. Hosking:** You know better than that.

**Mr. Knight:** My hon. friend has illustrated a prejudiced type of mind in the discussion of this thing ever since this particular case came up, and I do not want to elaborate upon it, but I can if necessary. In the meantime, we have the hon. member's name recorded—I refer to the private members' bills—and in that connection he did vote "yea" that all these ten divorce bills be considered in that way without even reading the numbers and the names.

**Mr. Hosking:** Mr. Chairman, on a question of privilege; that is absolutely untrue. I seconded the motion that they be dealt with individually. I do not want my hon. friend speaking for me in this house. If I want to make a speech in this house I will make my own speech.

**Mr. Knight:** I apologize unreservedly to the hon. gentleman. For a moment I was excited.

**The Deputy Chairman:** Order. As soon as I sit down the hon. member for Saskatoon may continue his remarks. We may regard the incident between himself and the hon. member for Wellington South concluded. In the debate on clause 1 of the bill which is before us there may be, the committee will agree, no practical advantage in the chairman at the moment becoming too particular as to adherence to the rules. The only thing is that every time the rules are not adhered to the occasion becomes a precedent for another, and I think it is my duty to point out to the hon. member for Saskatoon that the over-all procedure on divorce bills is not before the committee at the moment. He has unlimited rights to debate the merits or demerits of clause 1 of this bill, and clause 1 is the bill. But we are less likely to have a repetition of the unfortunate incident that almost occurred if we stick to the matter before the committee instead of endeavouring at this late stage to debate a very debatable question, namely, the manner of handling divorce cases as a whole, which might have been in order on the second reading but which, my hon. friend will agree, is not before the committee at the moment.



**Mr. Knight:** Will you give me at least this much indulgence? Will you let me make my apologies to my hon. friend? Perhaps I was a trifle moved at the moment, and I made an error when I said that my hon. friend was one of those who asked that the bills be taken en masse on that particular occasion. I was totally and completely wrong. What I had meant to say was that he was recorded as being one of those who had voted in support of the preamble of this bill, which would have granted the divorce. Having said that, I cannot do anything else but again give him my humble apologies for having made that mistake. I hope I put myself in the clear in regard to the other matter at the same time.

This bill was considered a few days ago. It was considered on June 22, as will be found by referring to page 6482 of *Hansard*. In case any of my hon. friends wish to refer to that particular page, I want to warn them that there were a good many copies of yesterday's *Hansard* from which a number of pages were left out. When I went to refer to what I had said on the last day I could not find a part of my speech. The *Hansard* pages from 6467 to 6482 inclusive were missing in my copy. I then went to borrow the copy of the hon. member for Winnipeg North Centre, and I found that the same thing had happened there. Finally, I did obtain a correct copy. I expect it happened to only one run of print. I found on page 6475 what the Secretary of State, who has interjected in this debate with an appeal of something or other, said on that occasion, and I shall try to answer him. He said:

> Does this procedure have to be inflicted on the whole house?

I say yes, by the machinery which is set up for handling this matter, and I am most sorry to say that it does. The whole question, sir, is most distasteful to me and I must say that I am almost certainly not in character when I have to do this sort of thing.

Then I want to say a word in regard to the debate which took place in this house and I refer in particular to the hon. member

for Charlevoix and his remarks as reported at page 6482 of *Hansard* where he is reported as having said:

> After listening to all these complaints about these bills and listening to all this talk I am just wondering whether these hon. members who are complaining about these bills find their conscience bothered enough to rise and vote against the bills.

To that query, sir, and it is a legitimate one, my answer is yes. My conscience bothers me sufficiently so that I shall vote against this bill if the opportunity arises. I shall vote against any divorce bill in this house if in my own mind that decision is justified. What does one base one's decision upon? Well, he must base it, I suppose, on the evidence. I had hoped, sir, that there would be enough latitude given me to talk a little around this thing, but I have a very good copy of the evidence here if the house insists that I inflict it upon them, and I can quote from the evidence at some length. However, I am still hoping that will not be necessary, particularly in regard to the details and in regard to certain names.

I find that Bill No. 434 is of such a nature that I am compelled to vote against it. I find that according to the record of the miscellaneous private bills committee the preamble of this bill was opposed on a vote by six members of that committee. I propose to tell the committee who those six members were: The hon. members for Regina City, Lapointe, Macleod, Saskatoon, Mackenzie, and Burnaby-Coquitlam. I would like to say to the hon. member for Charlevoix, who is not here at the moment, and with whom I am not very well acquainted, that I imagine that with his background and training I expect he would be opposed to the whole idea of divorce in general upon moral and religious grounds, and I am going to suggest to him that if he go out behind the curtains and go up to the offices and gather in people of like mind and bring them into this house he could kill every divorce that came before this house at any time. I am not suggesting he should do that, but I am telling him he could do that if he so desires. Why does he not do that?

Why do they absent themselves from these votes? Where are they today? Where will they be when this divorce bill is voted upon, if it is voted upon today? I venture to say that there will be a smaller proportion in this house when the vote comes up than there was in the miscellaneous private bills committee of which I speak.

So, sir, on this matter of conscience let me turn the challenge back upon him. If it is a matter of conscience that he should oppose divorce bills then he should oppose them. If it is a matter of conscience for me to oppose this bill today then I am going to oppose it.

I do not expect my hon. friend has organized any group to come in here and kill this bill on conscientious grounds. If they are here I do not see them. As a matter of fact, sir, I do not see any hon. member on the government side of this house who is recorded as having done anything but vote for this particular divorce bill and so I propose to read to you the names of those who supported the preamble in the committee and by so doing recorded themselves as being in favour of this particular divorce.

The vote on the preamble is recorded and this is the vote on which I was unfortunate enough to blame my hon. friend. Those who voted for it were as follows: The hon. members for Timmins, Victoria—and I hope I have got them right for I do not want someone else jumping on my back—Wellington South, Parkdale, Jacques Cartier-Lasalle, Cumberland, the junior member for Queens, and Papineau. It is interesting to note that the latter was the gentleman who went on that committee instead of the hon. member for Laurier who had resigned and that the substitute also voted for that divorce. Then I have the hon. members for Lisgar, Manitoba; Middlesex East; and Selkirk. That is the record, and now the committee has the names of those who voted for and against this particular divorce from both sides of the house.

Just in case you think that was a small committee I want to point out, perhaps in justice to those concerned, that three members abstained from voting. They were the hon. members for High Park, Niagara Falls, and Wetaskiwin. That is the total number of the committee and this will show just how interested those men are in their work, and do not think I am blaming them for not being interested. There are 50 on that committee and the number present when that vote was taken was 20, three of whom abstained.

That is something of the history of this particular bill. I am still avoiding the evidence but I will come to it because I am going to try to show this house that this woman had a case equally as good perhaps against her husband. It happens in many cases that the men have the advantage in this thing, and I think that is probably chiefly true in the two provinces concerned, for there the man is the money earner and in many cases the keeper of the purse. The man probably has more know-how in legal matters and it is pretty hard for a woman

in certain circumstances to set out with $1,500 in cash to start with, then the counsel's fees, and then find the money to pay these Peeping Tom investigators while they are engaged in their business, if we can call it business. The man can initiate that sort of thing and he sometimes gets away with it.

Now I want to say another word about this bill which originated, as so many of these bills do, in the province of Quebec. Some of them originated in the province of Newfoundland and I need not go into the history of why we get divorce cases from these two provinces. But I want to say that I deplore, whether in these two provinces, my own province, or any other province, the increase in the number of divorce cases, for it is a lamentable and pitiable thing, and the effect is that at this session of parliament we have had probably the greatest number of divorce cases, though the margin is small, than have ever been presented before at any one session of the Canadian House of Commons, certainly as far back as I think 1943 or 1947, and on a ten-year basis. I think it is on a ten-year basis. If any one of my hon. friends would like to get a record of that, I would commend them to the Senate committee report on divorce. It is No. 55. It is the minutes of proceedings of the Senate committee of Canada. It was issued on May 12, 1954. It will show them statistics there on divorce generally which I think they will find interesting to read.

I may say that this bill is one of 382 bills which were initiated from the provinces of Quebec and Newfoundland in this session. I see that the number from Newfoundland was 9, so it will not be hard for you to do the necessary mathematics and discover how many were initiated in the province of Quebec.

**Mr. Pickersgill:** I rise on a point of order, Mr. Chairman. How does the hon. gentleman relate the statistics to this particular bill which you ruled was the only thing which could be discussed?

**Mr. Knight:** This bill, as I was saying when I was interrupted, originated in the province of Quebec.

**Mr. Pickersgill:** Mr. Chairman, I raised a point of order.

**Mr. Knight:** We have come—

**The Deputy Chairman:** The Secretary of State has raised a point of order which, if I may say so, is at least very nearly correct.

**Some hon. Members:** Oh, oh.

**Mr. Knowles:** That is fairly good for him.

**An hon. Member:** Close enough.

[Mr. Knight.]

**The Deputy Chairman:** I think that with some co-operation from the hon. member who now has the floor we might keep this discussion away from the method of the handling of divorces as a whole, which is an extremely large subject. I do not think that I can rule the hon. member for Saskatoon out of order in relating this particular incident to one of a series of incidents and perhaps proving that they are on the increase or on the decrease. At the moment I feel that the hon. member for Saskatoon is not too far out of order for it to be necessary for the chair to interrupt.

**Mr. Knight:** I want to say that I think I was in order because I was discussing this bill. As a matter of fact, I was saying "this bill" when the hon. member interrupted me. I was just talking about this bill. I was saying that this bill originated from the province of Quebec where these matters are not dealt with in the same fashion as they are dealt with in other provinces. Our committee—and I am talking about the miscellaneous private bills committee which considered this bill—consisted of men, the great majority of whom were not from the province of Quebec or from the province of Newfoundland. I am submitting that it is quite a great responsibility for us, who have different arrangements with regard to divorce in our provinces, to take total responsibility or almost total responsibility for having to deal with cases which come from other provinces. I definitely feel that this case and cases like it should be more in the hands of the people of the provinces in which they originate than in those of people who come from provinces which have other arrangements with regard to these matters.

I am not suggesting for one moment that anybody wants to force anything upon the province of Quebec. It is the right of Quebec, as it is the right of Newfoundland, to handle their own marriage problems in their own way. This case is one out of a number of cases which, as I say, are on the increase and which are going to take up an increasing amount of the time of the House of Commons.

So much, sir, for that part of it. As to the history of the bill before us, I went over that matter previously when I spoke the other day. Let us get it straight, though, so that it may be all together. It passed the Senate committee. It passed and the divorce was granted. It passed first reading in the House of Commons. No voices were raised against it. It passed second reading without consideration. Then it came back to the committee of the whole. Then, as I said, somebody read it quite by accident and the hon. member for Winnipeg North Centre

moved that it be referred back to the miscellaneous private bills committee for further consideration there and by the house. My hon. friend talks about majorities. He says "Why must the majority be thwarted by one man?". I do not know whether he was honouring me with the title or to whom he referred, but that is what he said.

**Mr. Pickersgill:** I was quoting the hon. member for Winnipeg North Centre.

**Mr. Knight:** He is a much greater man than I.

**Mr. Knowles:** Order.

**Mr. Knight:** I thank you, sir, for the compliment that you have paid to my hon. friend. I am pointing this out to the Secretary of State, when he talks about the will of the majority. I would suggest that the members of this house gave an honest vote in that case—

**Mr. Pickersgill:** Give us a chance.

**Mr. Knight:** There is no reason to suggest that they did not do so on the previous occasion. There is nothing to suggest that they did not read the evidence. There is everything to suggest that they had made up their minds and decided "This thing needs another scrutiny", and therefore sent it back to the miscellaneous private bills committee for that purpose.

**Mr. Hosking:** We looked at it.

**Mr. Knight:** We are going to get into the detail of this bill, maybe before my time is up; I do not know. My hon. friend reminds me that the majority was 66 to 63. After all, that is a majority. I have seen the government sustained by about that number.

In this particular bill the man was suing the woman. At this point I was going to make the remarks that I have just made with regard to the man in many of these cases having a tremendous advantage over the woman, having regard to the matter of funds. He is the keeper of the funds. There are fees paid on account of this bill and the others that were presented to this house of $80,226 at this session. That may be a startling figure but it is one which may be obtained from that pamphlet from the Senate which I have just quoted.

I now want to come to the evidence before the committee. That is the part that I would have liked to avoid, but it is difficult in my present predicament to talk about generalities if I am not allowed to do so. Let me say this. When this bill and others was before the Senate we were told, "These gentlemen in the other place see the witnesses, they see the look in their eyes, they see the kind of people they are, they see them in person and they have that advantage." I want to say to you, Mr. Chairman, that I heard the evidence in this particular case, that I saw the witnesses, and that I heard two witnesses who did not appear before the committee of the other place because for some reason or other they were not called. I heard counsel on both sides make their arguments. I came to certain conclusions and I am going to have a word or two to say about those conclusions.

By the way, I suppose it would not be polite, Mr. Chairman, if I talked to you in French, but if you will permit me to do so, I should like to quote something from a little paper here; I would call it a rag. I do not think I would pay too much attention to it ordinarily. The reason I am paying attention to it now and the reason I quote it here is that it was the subject of a question in our committee and it therefore comes into the position of being in order. I found a little thing in it when I was looking it over today. I found another passage which, with your permission, I shall read directly. The reason I am doing this is to defend the Liberal government and my Liberal friends from what I think is a deliberate slander. My hon. friends will be pleased if I do that.

*(Translation):*

The Ottawa Liberals are quite annoyed with the provinces of Quebec and Newfoundland for not wanting to set up their own divorce courts like the other provinces. In fact, in these two provinces, divorce is still the responsibility of the federal government.

*(Text):*

That, as the Prime Minister has often told us, is completely untrue.

**Mr. Gauthier (Portneuf):** What paper is the hon. member quoting from?

**Mr. Knight:** I quote from what I consider to be a rag. It is called *Ici Montreal.*

**Mr. Gauthier (Portneuf):** Who is the editor?

**Mr. Knight:** I have not the faintest idea.

**An hon. Member:** Your brother.

**Mr. Gauthier (Portneuf):** Who said that?

**Mr. Knight:** I am merely submitting it because it is exhibit "A" in the evidence that was brought out before the committee. That particular passage which I have read I think is completely wrong.

**Mr. Gauthier (Portneuf):** The hon. member had better withdraw that remark.

**Mr. Knight:** It is completely wrong. I am defending the government. The statement that divorces from the provinces of Quebec and Newfoundland are under the jurisdiction

of the federal government is incorrect. The Prime Minister has explained many times that any person in either of these provinces who desires a divorce comes to the foot of the throne and has a special bill passed. That is why these are private bills and not public bills. I wanted to make that perfectly clear. Nobody wants this to be a provincial matter if a province does not like it. I do not know anybody—Liberals, Conservatives or people of any other political or religious faith—who insists that these provinces should set up courts of their own.

**Mr. Gauthier (Portneuf):** I should like to know the name of the editor of this newspaper.

**Mr. Knight:** I am sorry, but I am not responsible for the editor's name.

**Mr. Gauthier (Portneuf):** I should like to know the name. He must have a name.

**Mr. Knight:** I will give my hon. friend the paper when I have finished and he can find out. Now, I come to my real reason for raising this particular matter. I suppose it is perfectly legitimate for me in dealing with a law case, as it is for my learned friends, to dispute the credibility of the witnesses. I have this little item, and once more it is from *Ici Montreal.* The only reason I wish to refer to it is that the petitioner was asked whether the statement in this paper, correct or not as it may be, was true, and he said that it was true. I propose to read it. It is also in French, and reads as follows:

William Delorme a comparu, le 21 avril dernier, sous une accusation d'avoir attenté à la pudeur d'une dénommée...

—and my friends will excuse me if I leave the girl's name out.

Il devra subir son enquête préliminaire et demeurera entre temps en liberté sous caution de $950, que son père a fournie en donnant comme garantie de la présence de l'accusé, sa propriété évaluée à $10,000.

I see the chairman looking at me in some doubt. He is wondering whether I am on the course. I shall translate the article. It says:

William Delorme appeared on the 21st of April last under an accusation of attempted rape against . . . He will have to submit to his preliminary inquiry and will in the meantime be at liberty under bail of $950 which his father furnished for him. His guarantee for the presence of the accused is his own private property valued at $10,000.

That is the gentleman who is suing his wife for a divorce.

**Mr. Reinke:** On a point of order, my hon. friend forgets to mention that this charge was later withdrawn—

[Mr. Knight.]

**Mr. Knight:** If my hon. friend will permit me to make my speech—

**Mr. Reinke:** —and replaced with a charge of common assault.

**Mr. Knight:** I am not withdrawing these remarks by any manner of means. Counsel asked the petitioner: "Is that charge true?" He said, "Yes, it is true." Then he modified his statement. I only have his word for it, but he did modify his statement and said that the type of charge had been changed. I am not sure, because these committee meetings are not recorded, but I think he also said that the amount of bail had been reduced. I am merely, Mr. Chairman, trying to shake the credibility of the witness in your mind. I think that is a legitimate thing to do.

I want to come now to the main charge of this man that his wife had committed adultery. He tells us that nineteen years ago was the first time he knew of the adultery of his wife. He had come home at an unexpected time and had found his wife occupying sleeping quarters with another man. He said that he had found that also upon another occasion. So his counsel said: "What did you do?" He said, "I went out and cried." They asked him, "Did you wake them up?" He said, "I did not." On another occasion he said, "I went off to the hockey game and I cried." For nineteen years that man said he knew that she had been living in adultery with another man. When he found out about it he went out and cried, but he lived and cohabited with her for the next nineteen years, although he had said in his petition that he had by no means condoned the adultery of which she was accused.

I ask you: Why did he only now bring this petition of divorce against his wife? Well, the home was broken up. Why did he not bring suit immediately he discovered these things? Oh, he said, on account of the children. But nineteen years later when his wife, whom he had deserted in the meantime, brought a case in the Quebec courts for a separation which the petitioner allowed to go by default, and when my friend—I must not call him that—when the petitioner discovered he had to pay $20 a week and was liable to have to do so for the rest of his life, he suddenly decided that this wife of his was a bad woman and that somehow or other he would have to get rid of her. I should like to refer to a certain part of the evidence contained in the 383rd report of the Senate committee, but I am not sure whether I can find it. Oh yes, here it is on

page 12. The petitioner was being questioned by Mr. Lefrancois, his counsel. This is the passage:

Q. Now, did you decide to do something about it?
A. Well, it is then that I decided to do something.
By the Acting Chairman:
Q. When?
A. After she started legal proceedings against me. It was then I decided to do something.

Let us examine this question of the children for whom he showed such consideration, the little children who of course could not be disgraced by the stigma that would be attached to them. Who are these children? There are two boys. One is now eighteen and is unmarried and the other is twenty. They were before the committee. They were on the witness stand. The petitioner was asked where his children lived. He did not know where either of them lived. He was asked about his friendship with his children, and he said that the last time he saw one of them—I have forgotten which one—he called him a name in French so dirty that he could not bear to translate it into English in this committee.

Then they asked these children what they thought of their father. They said they had been beaten, kicked and abused by him and that they had to leave home. That is the man who could not sue this woman for a divorce on the ground of adultery to which he swore because the children's name had to be protected. What a farce! On the stand that woman said that she knew her husband had been unfaithful to her. This is one instance where the case might just as well have been reversed with equal justice. It so happened that it was the petitioner who sued her and not she him.

I could go on. I have a lot of other evidence. I saw the whole proceeding. On the one side there was the mother with her family. On the other side were the professional investigators, the principal one of whom admitted that he had received a small bonus of $20 over and above his fee for having come home with the bacon. I ask you: Are you going to believe that woman's son, that fine young boy in Her Majesty's air force uniform? Counsel tried to attack his character in committee and I refused to permit that. On the one side was this soldier lad, a fine, clean, good boy of twenty years of age, standing there to protect his mother, and on the other side these professional people. You should see them. There was the one fellow, slick, smooth, poised, with his story off by heart, and then he had as helper that poor creature, that unfortunate anaemic looking fellow with the weak chin. Hon. members who were on the committee will remember him. He did not know whether he was going to get any money at all out of this thing. He was a "peeping Tom". He did it in his spare time. I do not know whether or not he did it for fun, but he was an electrician. He loved to do this after dark. He did not know whether he would get $5 or $10, but his boss had already obtained $310.

Finally, let us refer to the evidence itself. How was it obtained? It was obtained on the top of a ladder in the dark of night with a little flashlight shining in a window. Three men climbed the ladder at once, which looked a little foolish to me; but here they are with a little flashlight shining away to the far end of the room. The bed was on the far side away from the window. There were two people in bed. The woman was on the other side, and they admitted in their evidence that these people were almost completely covered. He said he did see part of the man's forehead and identified him that way.

There they were on the ladder. Well, they got off the ladder and they got off it in a hurry. Why did they get off it in a hurry? Because they heard the provincial police were coming. And why were they afraid of the provincial police if they were doing no wrong? How did this fellow make this identification? Because the week before he had gone to this woman and had lied to her. I asked him about that, and he said it was not really lying. He told her he was sent by the electric company to check up on these fuses. He went in to talk to the woman and he admitted to me he lied to her.

**The Deputy Chairman:** I am sorry to have to interrupt the eloquent and hon. gentleman but he has now taken two minutes over his time.

**Mr. Knight:** If you would just give me two minutes more, I could finish.

**The Deputy Chairman:** Has the hon. gentleman permission to speak for a further two minutes?

**Some hon. Members:** No.

**Mr. Hosking:** I take part in this debate for one reason. I could not agree more with everything the hon. member has said, every single thing he has described, except where he said that I voted in favour of all these divorces being considered at one time. I do want to say this, that he pointed out some very interesting figures when he said that the four people who voted against this divorce in committee were C.C.F. members. We all know that the aim of the C.C.F. party

is to discredit and get rid of the Senate and they are using these divorce cases as an excuse.

**The Deputy Chairman:** Order.

**Mr. Hosking:** This is continually referred to as a very improper way of handling divorces, so in order to discredit the Senate, they refer to these divorce cases one after the other—

**Mr. Regier:** On a point of privilege, Mr. Chairman: I was one of the four C.C.F. members to whom the speaker has just referred, and I think it ill behooves him to impute ulterior motives to me. I can say I voted in the cause of human justice, irrespective of how any other hon. member in the committee voted.

**The Deputy Chairman:** The point raised by the hon. member for Burnaby-Coquitlam is undoubtedly correct. I was listening carefully to the hon. member who has the floor, and I did not interpret the remarks as imputing motives, but I would suggest that I have already stated this afternoon that an over-all discussion of Senate divorce procedure, and so forth, is out of order. Perhaps the hon. member who just took his seat has exceeded the letter of the ruling I have been endeavouring to make, but I trust the hon. member who now has the floor will not exceed it to any great extent.

**Mr. Hosking:** I shall explain what I was proceeding to do, had I not been interrupted. The hon. member stopped me from making the explanation quite clear. We came here to judge these divorce cases on their merits, purely and simply.

**Mr. Knowles:** Hear, hear.

**Mr. Hosking:** The hon. member who preceded me gave most damning evidence as to why divorce should be granted. He explained all the reasons why it should be granted, but the reason that they are now debating it, as he said in his speech of last Tuesday, is to prevent these divorces at every opportunity. In other words, by his actions, and by the actions of his supporters in that party, he is going to prevent the divorce being completed in this house purely and simply to discredit the Senate.

**The Deputy Chairman:** I am sorry, but I must ask the hon. member for Wellington South to withdraw unconditionally that remark. The suggestion that any hon. member in this house or any group of hon. members have been guided in casting their vote by an entirely different question, is one which cannot be allowed to remain.

[Mr. Hosking.]

**Mr. Hosking:** I am quite prepared to withdraw, Mr. Chairman. Then, I should like to say this. We all know the evidence in these divorce cases is heard by a committee of the Senate. I am prepared to say that the lawyers who have the unpleasant task of examining the evidence in those cases would be accepted in any county across this dominion as judges. They have sat on these cases, listened to the evidence in all its detail, and have come to their conclusion. Subsequent to that the committee has sat and all the members listened to the evidence. When they have heard enough evidence they have decided to cast their votes one way or the other.

In this particular case there were 11 in favour of saying that this was no longer a marriage, and there were six against, four of whom were C.C.F. members. At all times this C.C.F. group take a stand that they hope will make the House of Commons do something with regard to the method of handling divorces. My plea in this case is this. I agree with the evidence that this man found his wife sleeping with another man. This man's wife left him and went to live in another house with a man who happened to be a cousin, a Mr. Delorme, a man with the same name. This man immediately creeps in and lives in the same house with Delorme's wife. Then there are the two children in the family who address this boarder living in the house with the mother as "uncle"; that is the connection between the family.

**Mr. Winch:** He was an uncle.

**Mr. Hosking:** He was a cousin, and by marriage he was an uncle. There was no blood relationship, and he had no right to expect to take up any other position. The family clearly referred to the boarder with whom the mother was living as "uncle". Someone said, "Is this not your cousin, your father's cousin?" They said, "Well, we call him uncle". I have no disagreement at all with the evidence that has been presented. Remember this, and I say it sincerely, I have no more grief for the husband than I have for the wife. They were both the same. There was no proper marriage in this home, and for those reasons we gave a divorce. For those reasons the divorce committee set up by the Senate found that the evidence was sufficient and recommended a private bill be put through this house to dissolve the marriage.

Our committee met and heard the evidence. Twenty members of that committee decided to dissolve the marriage and only four members of the C.C.F., whose actions throughout all these divorces have been to

delay and discredit the method of protecting the minorities in the provinces of Quebec and Newfoundland, voted against it. They have always said we will make this minority agree with the majority. They will have to do it by talking this bill out, and they will subjugate the minority to their wishes. And after two fair hearings, both in the Senate committee and in our committee, if anyone talks this bill out, then he is discrediting the House of Commons in the eyes of the people of the Dominion of Canada.

**Mr. Winch:** You are doing a fair job of it right now.

**Mr. Hosking:** And that is the only part I shall take in this debate. I have no desire to see divorce take place anywhere. I would like to see a country in which there were no divorces. I have the benefit of having the best wife in the whole country, and I consider her my greatest asset. I disagree heartily with divorce. But when we have a Senate committee examining evidence and agreeing that there should be a divorce, and in addition to that when we have a committee of the House of Commons also agreeing that there should be a divorce, then I think it is a shameful thing for a very small party in the parliament of Canada to stand up and say, "I will talk this bill out. I will not allow it to pass. I will flout all the ethics of parliament."

That is a performance, Mr. Chairman, that is oppressive to a minority of people in two provinces of this country, who will think they are being oppressed. And I think further, it is flouting the will of parliament that has set up a divorce committee to hear the evidence in these divorce cases.

I would point out again that the head of the divorce committee in the Senate is a man who is well qualified for his work and who would be acceptable on any bench in the Dominion of Canada. And if there are mistakes—and I am not suggesting there are human beings who do not make mistakes—if there are mistakes made in the divorce committee, I am convinced they are no more glaring and no more frequent, indeed, possibly less frequent, than the mistakes made in the courts of this country.

I would plead with the house—and I am going to take my seat now—not to talk this out. But if hon. members do talk it out, then that is their problem. But in the opinion of hon. members who have taken part in this discussion on divorce, it would be a discredit to the House of Commons and its procedure if a few men, by making a farce of that procedure, can flout the wishes of so many other people.

**Mr. Knowles:** Would the hon. member permit a question? Does he think it would be fair to this woman, who does not want this divorce, who would suffer the loss of money and suffer reproach to her name, if this House of Commons should pass this divorce against her will?

**Mr. Hosking:** I will answer that. If this woman had not left her husband, and had not gone to live in a house, and have this other person who had been following her for sixteen years move into that house and live there, and if her family had not referred to him affectionately as "uncle" and when asked again they said "uncle, no not cousin", I would have taken a different attitude.

I would think since she has done that she has flouted all the rights to alimony. Why should a man pay her to live with another man? That does not seem reasonable to me.

**Mr. Pickersgill:** Mr. Chairman, I rise on a question of privilege—and again I shall be brief. I think the hon. member for Saskatoon misrepresented what I said, although I am sure he did not intend to do so. I believe he misunderstood what I said at the beginning of the debate. I took no position on this bill. I merely asked to be allowed to take a position on it by my vote. And I hope that, now that the hon. member for Saskatoon has had his say, he will let the great majority of us in the House of Commons who do not say very much at least have the right to vote on this bill.

**Mr. Castleden:** It has been interesting to hear the remarks of the hon. member for Wellington South. Oddly enough he is taking exception to our action in this case because he thinks we are doing an injustice. On the other hand we are taking this action because we think there is a great possibility of an injustice in which we do not want to have any part. I am sure the possibility of injustice is just as abhorrent to other members in the committee as it is to him. Therefore we should be more careful when a responsibility of this kind is placed upon us when there is a possibility of someone accusing us of being guilty of an injustice.

Then, we have another duty and responsibility to Canada's parliament and our parliamentary institutions. After reading the evidence of the witnesses on both sides in this case I certainly came to the conclusion that there was not sufficient proof on either side to make a decision in the matter. The evidence was conflicting; it was poor evidence, and there is grave doubt in my mind that justice would be served by the passing of this bill.

If both houses of parliament err in this matter, then the prestige of parliament suffers. Our responsibility in this field is too great to permit that to happen. We certainly cannot treat the matter lightly. Parliament makes laws; that is our duty. Parliament appoints judges. The cabinet and the government control our courts. One of the greatest functions of parliament is to maintain that justice that is one of the foundations upon which democracy is built. The prestige of parliament is fundamental to that.

I would ask hon. members to contemplate the results of any demonstration that parliament is unable to administer justice within its own halls. If within the borders of parliament we do not administer justice, and if we make errors—

**Mr. Hosking:** Would you remarry them and make them live together again?

**Mr. Castleden:** I am not judging the case. I am just talking about whether we in Canada dare to be guilty of an injustice.

**Mr. Hosking:** You are doing an injustice.

**Mr. Castleden:** You can be the judge of that.

**Mr. Hosking:** I am.

**Mr. Castleden:** Any move which might result in an injustice being perpetrated is not just a reflection upon members of the House of Commons, but it lowers the standard of the prestige of parliament in the eyes of all the people of Canada.

**Mr. Hosking:** You are doing that yourself.

**Mr. Castleden:** It is not the function of parliament to judge. The courts are established to decide right and wrong, and we ask that the functions of the courts be carried out. We have no quarrel with the other place; we realize they have a difficult task to perform. We would like to see them rid of it, and I am sure they would like to be rid of it themselves.

**Mr. Hosking:** That is why you are preventing this divorce from going through.

**Mr. Castleden:** No.

**The Chairman:** It being six o'clock, shall I report progress and ask leave to sit again.

Progress reported.

**Mr. Deputy Speaker:** The hour for private and public bills having expired, the house will resume the business interrupted at five o'clock.

[Mr. Castleden.]

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF AGRICULTURE

**The Chairman:** We were considering item 44.

**Mr. Nowlan:** Six o'clock.

At six o'clock the committee took recess.

## AFTER RECESS

The committee resumed at seven o'clock.

**Mr. Harrison:** When the committee rose at five o'clock to consider private bills I was making a few remarks on the Saskatchewan dam. I said at that time there was a considerable area of agreement between the hon. member for Moose Jaw-Lake Centre and myself regarding his statement that the dam was approved of by all members in Saskatchewan. Later in his remarks, when describing the conditions in the 1930's when we had the dried-out period in the west, he said that when he drove down a street in Moose Jaw he was unable to see the engine of his car. Hon. members may have thought he had had a slip of the tongue, but what he was actually describing was the dust condition. We are not able to see the engines of our cars today, but there are hoods over them and they are largely ornamented with chrome. But in those days he was likely in the same condition as most residents of Saskatchewan. If they owned an automobile at that time the hood had long since blown away or had been used to repair the barn or to put a roof on some utilitarian building in the backyard.

That was the condition that existed at that time. What the hon. member was describing was that the dust conditions were so bad that as he drove down the street no doubt he had no hood on his car and he could not see the motor, not because there was a hood there but because of the dust. These were desperate days, and we do not want to see a recurrence. That is something we have no control over. Conservation of water is something over which we have some control. I agree with the hon. member for Moose Jaw-Lake Centre when he says that all members from Saskatchewan are favourable to this dam. In this respect I am different from most members from Saskatchewan in that in my own constituency we have lots of water. As a matter of fact, in the Meadow Lake area we could fill this dam perhaps 150 times or 200 times over without any difficulty. We do realize that when other parts of the country are prosperous it makes a lot of difference to us as well.

I am in agreement with the hon. member for Saskatoon who said that when this project is shown to be something that will benefit the nation as a whole it should be gone ahead with. This is about all I have to say at this time. I just want to indicate that I too am in agreement with the construction of the dam. When it is a national project, when we know that it is something that will benefit the nation as a whole, we should go ahead with it.

**Mr. Mang:** If or when this project is undertaken some of its store of water will be passing through the river Qu'Appelle, which is the northern boundary of the constituency I represent. Therefore, I hope the committee will forgive me for taxing its patience for about two minutes at this time. There are only two points I want to emphasize because I think the matter has been very thoroughly covered, particularly by the hon. member for Rosthern this afternoon. I endorse wholeheartedly the appeal he made to people from all parts of Canada and to members from all parts of Canada who represent constituencies in this house. To my mind the final decision to build this project will be made when members from other parts of Canada decide that it is in the national interest so to do.

The area in question has been under discussion for a long time. In fact we read of discussions having taken place or interest shown in the area where this dam would be constructed as far back as 150 years ago. In 1804, John McDonald of Garth, who represented the North West Company in western Canada, gathered a great deal of Indian legend concerning this area where at certain times at high flood the river would reverse its course. That is the area at the bend of the South Saskatchewan, and not so many miles from there are the headwaters of the Qu'Appelle river. So much interest was created at that time by those reports that various expeditions were organized to investigate the possibilities.

In fact waterways in western Canada is a subject that has been discussed internationally as far back as 1822 when there was a meeting between representatives of the United States and of Canada to discuss the feasibility of developing a waterway which would connect the great lakes and the Red river valley. Nothing much came of that, but there was a certain amount of interest and in July, 1859 a steamship by the name of "Anson" arrived at Fort Garry. Interest was again aroused and the Canadian government sent an expedition from eastern Canada headed by Henry Hind, professor of geology of Trinity College, Toronto, called the Assiniboine and Saskatchewan exploring expedition. Hind had the vision of creating a waterway which would make it possible to travel by water from Fort Garry, now Winnipeg, right thrcugh along the Assiniboine, the Qu'Appelle, the Saskatchewan and the Bow river to the foothills of the Rockies. It is worth while mentioning the interest evidenced by the British government in this area when they sent out Captain Palliser in 1858.

I mention these few skimpy historical facts for this purpose and this purpose alone, namely, to show that the waterways of the western plains had been considered of national and also international interest long before 1954. I believe the interest was first aroused by the old Indian legends conveyed to the white people about 1804 when John McDonald made his explorations for the North West Company while trading with the Indians. I set forth these few historical facts because I believe that when the government and parliament makes its decision it could be helpful to be fully aware of the historical background of the project.

I am not going to cover the points raised by other hon. members, particularly the hon. member for Rosthern, but I want to stress another more practical point in particular. If this dam is constructed in the area I have mentioned it will constitute the main source of water supply for a large percentage of the people of Saskatchewan. The people in the city of Regina, some 75,000 in number, and the people in the city of Moose Jaw, the third largest city in Saskatchewan, will be assisted in obtaining a better water supply if the dam is built. Let me point out, in addition, that at the present time, as most hon. members know, there is a project by which water is going to be led from Buffalo Pound lake through to the city of Regina by pipe line. Buffalo Pound lake is the headwaters of the Qu'Appelle river.

It is desirable in all our water supplies to have the water pure, tasty, and as high a quality as possible. If we have a diversion of the South Saskatchewan by virtue of such a project as the South Saskatchewan dam then the water will be flowing through Buffalo Pound lake until it finally finds its way into the Qu'Appelle river and then on down to Manitoba. In order to keep the water as pure as possible it is desirable to have a steady flow from the headwaters, but in this case the headwaters are not of sufficient flow to provide the required degree of freshness in that water and it would have to be treated. I am not saying it is not pure at the present time because Moose Jaw

is using this water. It would be desirable to have a larger volume of water available so that the quality would be considerably improved. This project when completed will accomplish this.

Let me remind members of the committee that this will be a very large structure. If the people of Canada decide to undertake this project then we will be creating a lake about two-thirds the length of lake Erie. I do not think many people allow their imagination to dwell on the fact that in the heart of one of the finest agricultural areas of this country we will be providing a lake of such magnitude. Apart from irrigation and power requirements more than 100,000 people in the heart of Saskatchewan are depending on this project for better and purer drinking water. I would like to add my voice to that of those who have already spoken on this subject and I would like to urge all members of the house to consider both the background, the necessity, and the economic value to the Canadian people as a whole and particularly in the area, of this project. It will help the people of Saskatchewan to a better life personally and in making a living. It will increase the natural growth, strength, and the virility of the Dominion of Canada.

**Mr. Charlton:** Can the parliamentary assistant answer my question?

**Mr. McCubbin:** I believe the hon. member's question had to do with the increase in postage expenditure. In former years letters sent out from our department were sent out free of charge, but now they are sent out on a charge basis and the post office charges us for all such letters and the cost to the department is naturally increased in the process. That is why there is an item there which was not there in former years.

**Mr. Charlton:** But in some cases there is less postage this year than last year for certain items and it would not appear to be due to an increase in the postage rate. Some items are less but others have been practically doubled and there does not seem to be any logical answer. I would like to have the variation explained.

**Mr. Pickersgill:** Mr. Chairman, perhaps I could say a word on this because the hon. member asked me exactly the same question on my estimates. There has been a change in policy with regard to postage and postal meters were installed and there is an item for each department to cover the cost of this postage. There may be some departments that previously had special delivery or air mail and that would have been charged to the department and perhaps account for the discrepancy between last year and this. But there has been a change in policy, as I believe the leader of the house pointed out when my estimates were up and on these items there are increases in nearly every department.

**Mr. Charlton:** But on page 117 of the details there is an item which was $4,500 last year and which is reduced to $3,500 this year.

**Mr. McCubbin:** In which department?

**Mr. Charlton:** It is under item 45 and I understand we are dealing with items 44 and 45 simultaneously. The explanation advanced by the Secretary of State may be perfectly all right but I do not think it explains a decrease of $1,000.

**Mr. Pickersgill:** But I understand that this covers branches of the department outside Ottawa and there had to be an item covering that in previous years. It is at the headquarters in Ottawa that the policy change to which I have referred has been introduced. This other item is in Saskatchewan.

**Mr. Knowles:** Perhaps they have been sending less mail.

**Mr. Charlton:** But that explanation does not cover the fact that it is less in some items and more in others.

**Mr. Dinsdale:** Could the parliamentary assistant reply to my query?

**Mr. McCubbin:** I understand that was with respect to the survey made of the Assiniboine river. That survey was undertaken along with the Red river survey at a time when they had flood trouble in the Red river valley a few years ago. These few projects were undertaken together but what is going to take place with respect to the survey in which my hon. friend is interested, I am not in a position to say. The other matter the hon. member mentioned had to do with flooding at Brandon, but that is entirely a provincial and municipal problem and of course if they cannot handle that then it is up to the provincial government to appeal to us for assistance.

**Mr. Dinsdale:** I take it, Mr. Chairman, that the whole Red river valley problem is under review and constant attention because it is all part of the same difficulty. The flooding extends over the whole Assiniboine basin. It involves about 200,000 acres of land, I think, and about 700,000 population. As I indicated in my remarks, surveys have taken place from time to time ever since 1886 but

the recent surveys during and since the disastrous flood of 1950 suggest that more urgent action is going to be taken.

**The Deputy Chairman:** Shall the item carry?

**Mr. Charlton:** No. I wonder whether the parliamentary assistant to the minister could tell us why it is necessary to have 29 extra people working under this department this year. He might also explain this minor item, probably, of $91,000 for "purchase of bulls for pastures". It happens to be just the same figure as it was last year. I do not know whether they buy so many bulls each year. But it is extremely good figuring if they go out and buy a number of bulls and have them work out at the same figure for each year.

**Mr. Knowles:** Last year it was horses.

**Mr. McCubbin:** Of course, that was just an estimate. It might be $70,000 this year and it might be $100,000. It is somewhere in that neighbourhood. It will not likely run over $91,000.

**Mr. Charlton:** Is that the complete explanation? The item reads "purchase of bulls for pastures". Where are the pastures? What kind of bulls are they? Why is it necessary to have so many? Do not people supply any of their own bulls out there any more?

**Mr. Fulton:** The Liberal party supplies all the bull out there.

**Mr. McCubbin:** I do not wish to go into a lengthy discussion about this matter but the situation will be understood by anyone who has been out in western Canada and has seen these fine community pastures which were set up in the days of drought, where the farmers come and put their cattle in. The government tries to buy the best bulls they can buy and then they turn them into these pastures in order to assist the farmers. There are 62 community pastures throughout these provinces. A great many bulls are put in them.

**Mr. Charlton:** It is very nice to have the government supply the bulls for these pastures, but after all it is a matter of $91,000. We have always paid for our own bulls down east.

**Mr. Weir:** You sold a lot of them out west.

**Mr. Charlton:** If we can sell them to the government and get that price for them, I think it is a good idea.

**Mr. McCubbin:** Of course, you must remember that the farmers of western Canada contribute to this service themselves. What I mean is that we may have to make up a little bit some years but they pay 75 cents a head per month to put their cattle in these pastures. It does not all come out of the government because the farmers contribute to it themselves.

**Mr. Charlton:** What is the charge, 75 cents per month?

**Mr. McCubbin:** Seventy-five cents per head per month.

**Mr. Charlton:** That is still a very reasonable charge for pasture, with bull service too.

**Mr. Castleden:** I should like to say how much the farmers of the west appreciate the service of the community pastures. In the item this year I notice a sum of $462,000 for the construction of community and $642,000 for operation, improvement and maintenance of community pastures. Where are the new pastures to be constructed? Can the parliamentary assistant give us the location of these? Can he tell us approximately how many pastures are involved with regard to construction? What is the cost per pasture?

**Mr. McCubbin:** Mr. Chairman, there has been increased acreage in some of the pastures in the north and eastern part of Saskatchewan. That is why the sum of money has been set aside, so that these pastures might be enlarged and increased, refenced and looked after.

**Mr. Castleden:** No new pastures as such are being constructed?

**Mr. McCubbin:** No. I think there are 62 of them.

**Mr. Castleden:** How about the other item of $642,000 for operation, improvement and maintenance of community pastures.

**Mr. McCubbin:** What item are you on?

**Mr. Castleden:** It is page 115 of your estimates.

**Mr. McCubbin:** I know; but what item are you on?

**Mr. Castleden:** I stood up when you were on item 44.

**An hon. Member:** It was passed.

**Mr. Charlton:** No; it was not.

**Mr. Castleden:** It is under item 44. There are two items on page 115 in the estimates under item 44, which runs from page 113 to 115.

**Mr. McCubbin:** I certainly have the information all here. My hon. friend will know where these places are better than I do. I have all the information here as to where

the money has been spent; in the Wilner pasture, the Royal pasture, the Antelope park pasture, the Mantario pasture. Also there is the construction of a new pasture in Manitoba.

**Mr. Castleden:** That is fine.

**Some hon. Members:** Carried.

**Mr. Weir:** Did I understand my hon. friend to say that he had a pasture there for antelope?

**Mr. McCubbin:** No. That is for livestock and cattle. The name is Antelope park.

**Mr. Castleden:** These are not new ones?

**Mr. McCubbin:** No. These are ones that are being enlarged and completed.

**Some hon. Members:** Carried.

**Mr. Charlton:** No. I asked the parliamentary assistant a moment ago about the extra 29 help in the one item. I notice here that there are 83 extra in the next item. That is item No. 45. I wonder whether he could give us some explanation as to why that extra help is necessary. I see there are extra maintenance supervisors here at a salary running from $3,160 to $3,720. There is one extra agricultural supervisor. I wonder whether that is the one we saw so much about in the papers a few months ago?

**Mr. Weir:** Which item is my hon. friend referring to?

**Mr. Charlton:** Items 44 and 45. They are being taken simultaneously. It is page 116 in the details.

**Mr. McCubbin:** In reply to the question that has just been asked me I would say that a good deal of extra new help had to be procured and hired for the Bow river project where there has been a good deal of settlement taken from below Swift Current and moved over into that area.

**Mr. Charlton:** This is the Bow river irrigation project, is it?

**Mr. McCubbin:** Yes, in Alberta.

**Mr. Charlton:** And the extra amount is needed for that project?

**Mr. McCubbin:** Yes, to enlarge it and develop it so that it will be in shape for these settlers to move there.

**Mr. Blackmore:** I should like to commend the Department of Agriculture for the enlargement and development of these green pastures. It is extremely difficult for people who live in Ontario or in an area where rainfall is abundant to appreciate the circumstances under which men attempt to raise livestock in the Palliser triangle. It is an area in which it is extremely difficult to live and raise livestock because while some years there may be a considerable amount of rain in other years there will be no rain. If there is not a community pasture with plenty of water and with care taken concerning the forage on that pasture, then the raising of cattle is rendered almost impossible in that area. I say this just to help people who come from places where there is more water from the sky to understand what all this is about. The department is very wise in pursuing a policy of expanding these pastures as it is now doing and has done.

Item agreed to.

47. Land protection, reclamation and development in British Columbia under such terms and conditions as may be approved by the governor in council, $143,000.

**Mr. Fulton:** This is the vote for land protection, reclamation and development in British Columbia. Of course it would be desirable to have the P.F.R.A. extended to the province in which case there would not have to be a separate vote for this item. I am interested in one particular project which would have to be covered under a vote such as this as things stand now. I refer to the request that has been put forward by the province on behalf of the trustees of the B.C. fruit lands irrigation district for rehabilitation of their irrigation scheme near Kamloops. I understand the matter has been submitted by the province to the government here, under the arrangement which was outlined by the Minister of Agriculture back in 1947, with a request that the federal government, if it approves the project, participate in the cost. In turn the matter has been submitted by Ottawa to the P.F.R.A. head office in Regina for study. The minister was kind enough to assure me when out there a week or so ago that he would try to expedite that study. I have discussed the matter with the officials of the P.F.R.A. here, and I am wondering whether any report has been received and, if so, whether the parliamentary assistant is in a position to tell me what stage the matter has reached. He has people before him who will be conversant with the matter and who may be able to state what the situation is.

**Mr. McCubbin:** I am conversant with the matter and I understand what the hon. member is speaking about. The department has been in communication with the authorities out there. The minister wrote a letter yesterday, I believe, to Mr. Sommers, the minister of lands and forests of the province, with respect to the matter. Discussions are taking place and the hon. member can rest assured that something will be done in the

near future if the province and the dominion can come to an agreement on the project.

**Mr. Fulton:** Is there some new requirement that has to be met by the province? Is it a question of the soundness of the engineering scheme itself? I want to know whether there is any stumbling block. There have been quite a few in the past, and I would be glad to know if there is any stumbling block in the way now which requires removal because if there is we would like to know what it is so that we can deal with it.

**Mr. McCubbin:** I do not think there is. Discussions are always taking place with respect to all these irrigation projects. As the hon. member knows, there are some that the dominion and the province handle jointly and there are some that the dominion, the province and the interested people in the community handle under a three-way agreement. These are some of the things that are being worked out with the province in respect of this project.

**Mr. Fulton:** Then I will ask if I may have a copy of the correspondence. I have been in touch with the provincial minister, the federal minister and the local authorities and on each occasion they have always assured me—particularly the department here—that I would be kept informed. Yet quite frequently it happens that something develops which is thrown up later, and then you have to go back over the whole ground again. I should like to know what the picture is. I do not want to delay the discussion tonight but I want to be assured I will be kept informed of the course of negotiations.

**Mr. McCubbin:** I do not think there is anything further that I can say or do because discussions are under way, and until these break down I do not think there is anything we need to do with respect to the matter.

**Mr. Fulton:** They have broken down so many times in the past.

**Mr. Castleden:** With respect to the P.F.A.A. item I notice that there is a reduction in the amount. It is evident already that there is going to be a large amount of land in the prairie provinces that will be eligible for P.F.A.A. assistance on account of flooding. Is there sufficient staff on hand to do the job of inspection work that is anticipated for this year?

**Mr. McCubbin:** Of course the hon. member understands that this is done under a special fund. Only the administration end of it comes under our department. We have had some good years when the amount for administration has been reduced. It may have to be more next year. We have budgeted for approximately the same amount as we have had in the last two or three years. We may be wrong and we may be right. Possibly we have budgeted for too much, or possibly not enough. If we do not have enough we can bring in a supplementary estimate when parliament meets again.

Item agreed to.

49. Maritime Marshland Rehabilitation Act, $2,097,180.

**Mr. Purdy:** Mr. Chairman, after all the dry talk from the west, perhaps we can come down to the maritimes where the maritime marshland rehabilitation activities are somewhat comparable to prairie farm rehabilitation. I am sure that any observer in the gallery of the house during this session would come to the conclusion that the only place in Canada where any agriculture is carried on is the western provinces. If my figures are right, one-third of those in Canada who make their living off the land reside in the three western provinces and, important though it is to the income of this country, they produce little more than two-fifths of the cash income from farms. Therefore I do believe that agriculture in the rest of Canada should receive some attention.

I come now to the question of maritime marshland rehabilitation. This project, as I said a moment ago, is comparable to what is going on in the west. At the outset I should like to say how pleased we in the maritime provinces are that this great work has been undertaken. We have a splendid force of men working there and they are doing a good job. It is true that when they first came to the area a great many of them were in the position of dealing with something new. They were used to having one or two floods a year to control. In the regions adjoining the bay of Fundy there are four floods a day to look after. The tide goes out twice a day and comes in twice a day and each tide, whether in or out, is a rush of water. As a matter of fact at Burntcoat in my constituency we have the highest tides in the world. The difference between high tide and low tide is 62 feet.

That is the kind of situation these engineers found themselves confronted with when they started to rehabilitate our marshlands. Sometimes I wonder just what manner of men the old Acadians were who won these lands back from the sea. They had no engineering staff. They were their own engineers. For tools they had a spade, an axe and probably a plow. For power they had a team of oxen. Yet they built the works, reclaimed the lands,

and the works have stood the test for centuries. I only hope that in our present day and generation our men are building as well as the people of old.

Now, I might speak of this Maritime Marshland Rehabilitation Act. It was my privilege, in the former days when I was a member of this house, to be somewhat interested in this project. I recall very well that we carried the ball on that item between 1936 and 1945. We had the subject before the committee on rehabilitation, and they recommended it. Then, we took it up with the Minister of Agriculture and with the ministers of agriculture of the three maritime provinces. The provincial ministers looked upon it as an entirely federal project. After some discussion it was decided that those of us who were very much interested in this project should perhaps take a little more active part, so there was an unofficial committee formed. This unofficial committee conferred on the problem with the Minister of Agriculture and the various provincial ministers of agriculture. The committee consisted of the hon. member for Westmorland, then Mr. Emmerson; the then member for Queens, Prince Edward Island, Mr. Douglas, and myself. Unfortunately, the two first-named gentlemen have now gone to their great reward, so it remains for me, as the last remaining member of the committee, to perhaps reminisce for one moment.

As I say, we went to work and we eventually persuaded the provincial ministers of agriculture that they should also participate in this great project. Eventually it was worked out as a three-way plan, with the federal government keeping the water off the land; the provincial government arranging for the larger drainage canals, and the land owners looking after the small drainage canals. As I said a moment ago, we worked on this project for years. It was my great pleasure, before my services were dispensed with for a time by the electors of Colchester-Hants, to find in the estimates a small amount for general surveys and for a little exploratory work. I am happy today to see that the infant I left here in 1945 has now grown to a very commendable size. As a matter of fact the expenditure on the project, including this year, has been something in the neighbourhood of $8 million or $9 million, along with considerable provincial money and the land owners' contributions.

Now, with that background I was probably a little bit prejudiced but rather interested the other day to hear the Leader of the Opposition claim that the Bennett administration was responsible for the Prairie Farm Rehabilitation Act; that may be so. Possibly they are responsible to the same extent the Rhodes-Harrington government in Nova Scotia was responsible for old age pensions. They passed such an act, and then never did anything about it. It is peculiar how the Conservatives try to take credit for these things. I recall being in the local house at the time this legislation was enacted, and I had something to do with the provincial government legislation which is complementary to this act. I recall that in the federal parliament the then member for Colchester-Hants said that the Minister of Agriculture was entitled to some credit for putting in this act but that the member for Cumberland, Mr. Black, was entitled to most of the credit. When I recall some of the things that happened from 1935 to 1945, I can say that it is true Mr. Black did make two or three speeches in the house. However, I know from experience that with a project like this you have to do more work than speak in the house.

However, this great project is continuing and there are now 119 marsh bodies under this reclamation scheme in the maritimes. They have reclaimed some 66,000 acres and along with this there are 375,000 acres of land being operated. Perhaps that is not a large area in the grain growing country, but in the maritimes it is quite a lot of land. Again I wish to compliment the engineers and the director of this work for what they are doing. There is just one other thought I am going to leave with them. Their work is not yet completed. Let them carry on, and complete the work.

There is another problem in the maritimes, and that is our meadow lands and our interval lands. When our marshlands are reclaimed this commission should, during the interval, be studying what could be done to save the interval lands because year by year they are going to the sea. Unless we can keep a good percentage of our people in Nova Scotia gainfully employed on the land we will not be able to take our full part in this great dominion as our forefathers intended we should do. As I say, if the engineers in the maritime field could study the problem along our various river valleys—such great rivers as the Stewiacke, Musquodoboit, North Salmon and St. Mary's—they will find there are large areas going to sea. After it goes to sea, it is no good. If we could keep these areas in production in Nova Scotia, it would maintain this beauty spot and this great asset to Canada.

**Mr. Montgomery:** I just want to ask a question or two. The hon. member for Colchester-Hants has reviewed the situation. On page 122 of the estimates book, there is an item for construction or acquisition of buildings and

works, $1,551,000. Does the word "building" mean the construction of buildings or is that for the building of dikes to keep the water out?

**Mr. McCubbin:** Yes, that is for the building of aboideau and dikes.

**Mr. Montgomery:** It is not buildings?

**Mr. McCubbin:** No.

**Mr. Montgomery:** I notice that this item is $400,000 less this year. Is that determined by the amount of work that is laid out ahead of time or is it just an estimate that is up and down each year?

**Mr. McCubbin:** Unfortunately, last year we were not able to do all that we planned on doing. There was an overestimate. We hope the work can be completed this year.

Item agreed to.

*51.* To provide for administrative expenses, Agricultural Prices Support Act, 1944, $104,615.

**Mr. Charlton:** Under this Agricultural Prices Support Act item, I wonder whether the minister could tell us just what products, and the amounts, the government is now holding?

**Mr. McCubbin:** The only product the agricultural prices support board is holding now is butter, to the extent of 32 million or 33 million pounds. We are not holding any other products, any meat of any kind. We have sold about 25 million pounds of butter.

**Mr. Charlton:** Is the board still holding 32 million pounds? I understood a great deal more was sold. What was the maximum amount of butter held this year during the spring period?

**Mr. McCubbin:** About 33 million pounds was the maximum held.

**Mr. Charlton:** What about all that butter which we heard was sold for two and a half cents less than the floor?

**Mr. McCubbin:** We sold 24 million pounds, and we have acquired new butter this year. We hold only 8 million or 9 million pounds of the old butter, and the rest of the butter I mentioned is new.

**Mr. Charlton:** Since you sold the other?

**Mr. McCubbin:** Yes.

**Mr. Charlton:** I was talking to the minister yesterday, and I did not understand him to say that.

Item agreed to.

*644.* To provide, subject to the approval of the governor in council, for assistance to farmers in Manitoba and Saskatchewan for crop losses that occurred between the 1st day of August, 1950, and the 14th day of May, 1953, in respect of which there is no authority under the Prairie Farm Assistance Act to make awards, $17,000.

**Mr. Charlton:** At page 19 of the details I find an item of $17,000 for assistance to farmers in Manitoba and Saskatchewan for crop losses in respect of which there is no authority under the Prairie Farm Assistance Act to make awards. These losses occurred, according to the estimate, between August 1, 1950 and May 14, 1953, and it is pointed out that there is no authority under the Prairie Farm Assistance Act to make awards. No detail is given at page 19. Under what circumstances are those amounts paid out, when they do not come under the act?

**Mr. McCubbin:** These were some farmers lying outside the area that came under the Prairie Farm Assistance Act. The act was amended last year but it was not amended in time to cover them. These farmers are just on the outside area, and would not be covered by the Prairie Farm Assistance Act. Yet they were entitled to assistance.

**Mr. Charlton:** Has the act been changed to include single farms within townships? The sum of $17,000 will not go very far. It would not be just on the odd individual farm, would it?

**Mr. McCubbin:** It refers to a few farmers on crown land just outside the area. They have been brought under it now.

**Mr. Coldwell:** Were those farms contiguous to the area, or were they included in the enlarged area as an irregular group? There is no authority under the act, is there, for the department to enlarge the area, other than the one laid down in the act? This would include those who were outside what one might call the geometric area, is that what it is?

**Mr. McCubbin:** That is my understanding of it.

**Mr. Pickersgill:** I happened to be on the legislation committee when this provision was proposed, and I remember the facts. Parliament on May 14, 1953 included this area within the act, and this is to pay for losses in the period of time before it was included. There were some hard cases.

**Mr. Charlton:** It includes both Manitoba and Saskatchewan. I am not suggesting there is anything wrong with this, but I think we should have more detail about this $17,000. It says quite plainly that there is no authority under the Prairie Farm Assistance Act to make awards.

**Mr. Pickersgill:** That is correct.

**Mr. Charlton:** It cannot be as the Secretary of State says.

**Mr. Pickersgill:** Authority is being sought here because there is no authority under the act.

**Mr. Charlton:** You said the act was amended in 1952, did you not?

**Mr. Pickersgill:** On May 14, 1953, and this area was brought under the act. But this estimate is to seek authority to pay between August 1, 1950 and May 1953, when it was not under the act. This is asking parliament to give authority now.

**Mr. Charlton:** It says:

> To provide, subject to the approval of the governor in council, for assistance to farmers in Manitoba and Saskatchewan for crop losses that occurred between the 1st day of August, 1950, and the 14th day of May, 1953, in respect of which there is no authority under the Prairie Farm Assistance Act to make awards.

It does not say anything about any act being changed there, at all.

**Mr. Pickersgill:** I am explaining that the act was not changed on that date.

**Mr. McCubbin:** Like the hon. member for Brant-Haldimand I found it difficult to understand this vote. I believe it would be well if I were to place the explanation on record that is given with respect to it.

**The Prairie Farm** Assistance Act, paragraph (c), subsection 3 of section 3, was amended in 1950 to provide, *inter alia*, that crown and municipal lands not sold or granted prior to December 31, 1940, would not be eligible for award. An amendment in 1951 excluded from the provisions of the 1950 amendment all lands lying north of the south boundary of township sixty in the provinces of Alberta and British Columbia. A further amendment in 1953 excluded from the provisions of the 1950 amendment other lands in the northern parts of Manitoba and Saskatchewan.

The amendment of 1951 with respect to the lands in Alberta and British Columbia came into force on August 1, 1950, while the 1953 amendment with respect to the Manitoba and Saskatchewan lands became effective on May 14, 1953.

The situation is the same in all four provinces with respect to the lands affected by these amendments, and the advisability of making the effective dates the same has been recommended because a number of farmers in Manitoba and Saskatchewan excluded from award by the 1950 amendment suffered crop losses prior to 1953 and it is felt that they are as entitled to awards as the farmers in Alberta. However, the number of such farmers and the amount involved is so small, being no more than $17,000, it is recommended instead that an *ex gratia* payment be made to such farmers.

According to a Department of Justice opinion, such *ex gratia* payments can be made to these farmers upon executive approval, but it would be necessary to have a special item in the supplementary estimates to which the payments would be charged.

**Mr. Michener:** The substance of the remarks of the parliamentary assistant, as I understand it, is that this was contrary to legislation passed by parliament, and this estimate is now brought forward to be approved by parliament in another form.

**Mr. McCubbin:** That is right.

**Mr. Michener:** And I suppose the minister justifies it on the basis of some equities that make it proper. But the fact remains that we are undoing what parliament has already done.

**Mr. Coldwell:** My understanding is that this is to bring it into line with farmers in other provinces.

**Mr. Pickersgill:** Yes.

**Mr. Coldwell:** It is to put the farmers of Saskatchewan on the same basis as farmers in British Columbia and Alberta, who were treated that way under the amendment. If that is what it is, then there is no objection to it. But I must say that it struck me in the same way as it did my hon. friend, that unless there is a question of equity involved and this removes the unfairness, there could be no excuse for it. Then, the amount is small, and that struck me rather forcibly, because I would have thought there would have been many more farmers entitled to this than apparently there are, according to this vote.

**Mr. Macdonnell:** However attractive it may be to have people altering the law in order to produce what they consider to be equity, it is rather a far-reaching conception, if they are prepared to accept it. We might have different ideas of what equities are. It often happens even among such reasonable men as ourselves. One really wonders how far it is going to go. The question of legislation by estimate has been up here before, and I think the Prime Minister went on record as frowning on it very severely.

This may be the one exception that should be tolerated. It seems to me a very questionable procedure.

**Mr. Michener:** It is obvious we cannot inquire into the equities of the cases here tonight. If the minister would table a list of cases and the payments made to these people, then any hon. member who is interested in inquiring could see it. That would probably meet the situation.

**Mr. Pickersgill:** The only reason I intervene in this is that I am a member of the government and I was present when the decision was made to ask the committee to pass this estimate. No payments have yet been made because the government had no authority to make any payment. We are now humbly asking this committee to allow us to make the payments. The argument that was put before us, and which convinced us that we should ask for this, was that in 1950 certain townships up to a certain distance north—I cannot remember the parallel of latitude—were included under the act in British Columbia and Alberta. Saskatchewan and Manitoba were not included because there were practically no farming areas that far north in Saskatchewan and Manitoba. It was subsequently discovered that there were a few areas in the northern parts of Saskatchewan and Manitoba which should be included, and we in the government felt that what parliament thought was good for Alberta and British Columbia, parliament would think was good for Manitoba and Saskatchewan. It so happened that parliament had brought Manitoba and Saskatchewan under the act last year, but it was found there were a few cases of hardship in the intervening period between those two dates, and it was thought that to amend the whole act for this purpose would really not be warranted; that this was the kind of thing that could properly be provided for in the estimates. That is the explanation, and that is why we are asking authority to make these payments.

**Mr. Charlton:** By the same token, if an individual in Ontario, for instance, had a complete crop failure he would be as much entitled to this as anyone else. It is outside the area, and the government is starting a precedent, and you might have demands from many sections.

**Mr. Pickersgill:** As it was explained to us, these payments are governed by the same rules precisely as are applied under the act. They are not individual cases. They are governed by the same rules as are applied under the act generally. The rules of the act are applied, but the act was not amended for that area at that time.

**Mr. Michener:** Surely there is no mystery about it. If the minister would file the numbers of the payments that have been made—obviously these are ascertainable—running to $17,000 it would answer the question. The areas that are affected are very clear. I suggest that the information should be given to this committee, because the committee is being asked by vote to undo what parliament has already done by legislation. The information should be tabled before the estimate is passed.

**Mr. Weaver:** Perhaps I can give some information to the committee that would make this clear. As has already been said, the act was amended in 1951 to bring in certain parts of Alberta and British Columbia. The date in the amendment was such that payments were made on the 1950 crop, which hon. members will recall was frozen in northern Alberta. The same thing was done last year with regard to the area now under discussion, in northern Manitoba and Saskatchewan; but owing to an oversight the date of payment was made August, 1953, instead of August, 1951, taking in the crop that had been damaged similarly in northern Alberta and Saskatchewan.

Some of the inequity rose in this way. About three years ago certain crown lands in the provinces were excluded by this house because they had not been settled up to that time. These two amendments corrected that point, but while they did exist those who had settled on lands under the Veterans Land Act did get those payments. Therefore all through those years some farmers got the payments and their next-door neighbours who were not settled under the Veterans Land Act did not get them. That led to inequities, and that is the reason for the small number concerned.

For about five or six years after the war only veterans were allowed to settle on those lands. About two years ago, before this amendment was made, others besides veterans were allowed to settle there and they are the ones on whom the hardship was worked. They were the ones who were excluded. This corrects that condition. Some of these people lost their crops in the floods in the areas

of The Pas, and in the Mackenzie constituency and in the area north of Swan River. Those who were not veterans did not get the payments.

**Mr. Michener:** Is the parliamentary assistant prepared to give the information I have asked for, Mr. Chairman?

**Mr. McCubbin:** I do not see any reason why it cannot be tabled but unfortunately we have not got it as yet.

**Mr. Michener:** I appreciate that, and that is why I suggest it be tabled.

Item agreed to.

DEPARTMENT OF FISHERIES

Field services—
*142.* Fishermen's indemnity and loan plan—administrative expenses, $209,565.

**Mr. Nowlan:** This item provides for the administrative expenses of the fishermen's indemnity and loan plan. This is a new item. The total amount involved is $209,565, which is a fairly sizeable amount. Can the minister or the parliamentary assistant give us a breakdown of what is involved in this amount? How much has been lent? How many loans are outstanding? In other words, give us a background of this amount for head office expenses.

**Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries):** This item is for the administration of the fishermen's indemnity and loan plan; it has nothing whatever to do with loans.

**Mr. Nowlan:** It says: "Administrative expenses".

**Mr. MacNaught:** No loans have been made.

**Mr. Nowlan:** I note the item says "administrative expenses—fishermen's indemnity and loan plan." If the item means anything it means administrative expenses and nothing else. Frankly it seems to me to be a very large amount for administrative expenses. I should like to know how much of it involves loans.

**Mr. MacNaught:** This item is provided for the administration of the indemnity fund; that is, lobster trap insurance and boat insurance. As will be obvious to hon. members, there is a tremendous amount of waterfront to be covered, and a number of officials are needed to administer all the details in connection with the appraisal of boats and lobster traps, and the inspection of loss and damage claims. For example, when an insurance application is made, the boats or traps have to be looked at, inspected, and appraised. Similarly when a loss occurs, an inspection has to be made to see if a loss has been made, whether that loss is actual, and the amount of the loss, or claim for damage.

There are 41 officials involved, five at headquarters, 14 in Newfoundland, 10 in the maritime area, six in the Gaspe area and six in the Pacific coast area. There are considerable travelling expenses involved because the officials have to travel to the different fishing communities to carry out these duties. There is also some chartering of boats necessary and all these items make up the amount in the estimate.

**Mr. Nowlan:** How many are on the board?

**Mr. MacNaught:** There is no board, Mr. Chairman, because this work is carried out departmentally.

**Mr. Nowlan:** How many insurance plans are there in effect?

**Mr. MacNaught:** I have the information here. When the estimates were last before the house the hon. member for, I believe, Shelburne-Yarmouth-Clare asked for that information and the minister promised to place it on the record. I have it here and I will read it in part. The number of certificates of eligibility issued to May 31, 1954 under the "fishermen's indemnity fund—vessels" was 1,783, and the appraised value of these vessels was $2,660,496. The total premiums collected amounted to $26,000-odd, and the amount of disbursements on claims amounted to $17,543.82. In connection with lobster traps indemnity fund the number of certificates of eligibility were 771. The number of lobster traps involved was 125,243, and the total premiums collected amounted to $14,321.75.

**Mr. Nowlan:** What were the losses?

**Mr. MacNaught:** The losses amounted to $15,855.50, so in the case of lobster traps the losses were greater than the premiums. In the case of the vessels the premiums were some $8,000-odd greater than the losses. I have this table here which breaks down the figures into provinces and with the consent of the committee I will put this table on *Hansard.*

**The Deputy Chairman:** Has the hon. member leave to place this table on the record?

**Some hon. Members:** Agreed.

**Mr. MacNaught:** The table is as follows:

FISHERMEN'S INDEMNITY FUND—VESSELS

SUMMARY BY PROVINCES—JULY 6, 1953 TO MAY 31, 1954

| — | Cr.—Receipts | | | Dr.—Disbursements | | | Dr.—Disbursements | | |
|---|---|---|---|---|---|---|---|---|---|
| | Applications—Premiums | | | Premium refunds | | | Loss and damage claims | | |
| | Number of C. of E. | Appraised value | Total premiums collected | Number of vessels | Appraised value | Amount of refunds | Number of vessels | Appraised value | Amount of indemnity |
| | | $ | $ cts. | | $ | $ cts. | | $ | $ cts. |
| Newfoundland | 934 | 743,956 | 7,439 56 | 2 | 785 | 5 08 | 5 | 9,285 | 5,483 58 |
| Nova Scotia | 328 | 651,344 | 6,513 44 | 7 | 18,060 | 137 14 | 4 | 8,700 | 5,220 00 |
| Prince Edward Island | 53 | 50,890 | 508 90 | Nil | Nil | Nil | Nil | Nil | Nil |
| New Brunswick | 63 | 120,740 | 1,207 40 | 1 | 1,600 | 12 32 | 1 | 4,000 | 2,400 00 |
| Quebec | 144 | 123,144 | 1,231 44 | 3 | 524 | 2 79 | 8 | 4,830 | 2,991 24 |
| British Columbia | 261 | 970,422 | 9,704 22 | 10 | 23,800 | 169 34 | 1 | 2,415 | 1,449 00 |
| Total | 1,783 | 2,660,496 | 26,604 96 | 23 | 44,769 | 326 67 | 19 | 29,230 | 17,543 82 |

FISHERMEN'S INDEMNITY FUND—LOBSTER TRAPS

SUMMARY BY PROVINCES—AUGUST 6, 1953 TO MAY 31, 1954

| — | Cr.—Receipts | | | Dr.—Disbursements | | | Dr.—Disbursements | | |
|---|---|---|---|---|---|---|---|---|---|
| | Applications—Premiums | | | Premium refunds | | | Loss and damage claims | | |
| | Number of C. of E. | Number of lobster traps | Total premiums collected | Number of appli-cations | Number of lobster traps | Amount of refunds | Number of appli-cations | Number of lobster traps | Amount of indemnity |
| | | | $ cts. | | | $ cts. | | | $ cts. |
| Newfoundland | 311 | 30,995 | 2,824 18 | Nil | Nil | Nil | Nil | Nil | Nil |
| Nova Scotia | 314 | 58,862 | 8,705 11 | 1 | 92 | 10 13 | 114 | 9,269 | 15,134 25 |
| Prince Edward Island | 53 | 18,514 | 1,566 27 | 1 | 300 | 22 50 | 5 | 536 | 385 50 |
| New Brunswick | 6 | 1,094 | 128 13 | Nil | Nil | Nil | 4 | 403 | 335 75 |
| Quebec | 87 | 15,778 | 1,098 06 | 1 | 210 | 21 00 | Nil | Nil | Nil |
| Total | 771 | 125,243 | 14,321 75 | 3 | 602 | 53 63 | 123 | 10,208 | 15,855 50 |

**Mr. Nowlan:** Mr. Chairman, I would like to thank the parliamentary assistant for this information. Frankly it appears to be a somewhat large amount. Of course, this is the first year in which it has appeared, but apparently we have 1,700 certificates issued on fishing craft and 700 for lobster traps. That is roughly 2,500-plus and we have $17,000 of a loss in one case and a $15,000 loss in the other. The total administrative expenses amount to $209,000. I do not think any insurance company would feel that they could operate on that basis. I am not suggesting that this fund should not be operated in that way. I think it is a good fund and I think it does offer some benefits to fishermen which are badly needed. In a year's time, of course, when we have a basis of comparison we can then check the year's operation and see just how reasonable these expenditures are. But when one looks at the details, without discussing them at length, I must say that the expenditure appears to be rather high. I think a year from now, when these matters are under consideration by the committee, the minister should be able to give us a clearer breakdown of the work done in the administering of this relatively small sum of money. I notice there is a substantial amount for boats and I suppose this covers Newfoundland where it is likely to be more than it would be on the mainland because the mainland could be covered by automobiles. But I would point out again that the item seems to me to be altogether too high for what is involved in the work of this department and

we will expect a clearer accounting when this item comes before the committee again.

**Mr. Barnett:** Perhaps I should say at the outset to the hon. member who has just resumed his seat that we have points in British Columbia which are not easily accessible.

**Mr. Nowlan:** This is not for British Columbia.

**Mr. Barnett:** Mr. Chairman, my reason for rising is to ask the minister whether it is anticipated that the staff listed here to service this plan will be the permanent staff and whether the number employed in connection with the organization of the scheme will be reduced as the scheme is streamlined.

**Mr. MacNaught:** We do not anticipate there will be any reduction in the number of personnel required to carry out the administration of the plan. It may well be that as it goes along and more fishermen and boat owners take advantage of it, more officials may be needed.

**Mr. Macdonnell:** I would like to ask about the item amounting to $30,000 covering travelling and removal expenses.

**Mr. MacNaught:** This item provides for travelling and living expenses of the officials at headquarters responsible for the administration of the plan while absent from headquarters on plan business, and this covers the expenses of four area administrators, senior members of their staff and appraisers in the field. At headquarters the amount involved is $2,500; in the Newfoundland area $9,000; in the maritime area $8,800; in the Gaspe area $5,500; and in the Pacific area $4,200.

**Mr. Macdonnell:** I still do not understand the use of the word "removal".

**Mr. MacNaught:** It is civil service terminology, Mr. Chairman, and this item applies when it is necessary to move a person who is domiciled in one area to another with his family and effects.

**Mr. Macdonnell:** I can understand it in that sense even if this were not the civil service, but the way in which the parliamentary assistant spoke before I understood this travelling expenses item was simply for people moving about. Do I understand there is included in that item the cost of actual removal expenses where a man stationed in one place is moved to another?

**Mr. MacNaught:** That is correct.

Item agreed to.

[Mr. Nowlan.]

*143.* To provide for the destruction of harbour and gray seals, $40,000.

**Mr. MacLean:** Mr. Chairman, I notice this item has increased from $30,000 to $40,000 and it provides for the destruction of harbour and gray seals. When the first item for this department was being discussed I ventured to suggest that this perhaps was not the simple solution to the question of the preservation of our fish supplies it would seem to be on the surface. It seems to me that perhaps the harbour seals are being painted as darker villains than they actually are and thereby a simple way is found to say that we are looking after the question of the conservation of our fish supply.

I suggested that it was perfectly logical that since there were far more harbour and gray seals in existence 200 or 300 years ago than there are now, at a time when North America was first discovered and at that time our waters were literally teeming with fish, therefore the harbour seals could not be the cause of depletion entirely. I went on to suggest that perhaps the depletion was due in part to some more obscure reason. I suggested that it might be due to the pollution of our shore waters by various chemicals that are let flow into our rivers.

In that connection, I may say it is a fact that some miscroscopic organisms are extremely vulnerable to poisoning in that regard. Every farmer knows that if he has a millpond a mile long and a quarter of a mile wide, if algae starts to grow on it all he has to do it to dump in a couple of pounds of copper sulphate and the algae is killed. These microscopic organisms are extremely sensitive to poisoning. I remember too that the whole life cycle of sea animals, fish and sea birds relies on plankton. They all, in the end, are dependent on this microscopic life that multiplies in the sea, under favourable conditions, at a rapid rate. It seems to me that perhaps the cause of the depletion of our fish supplies in the coastal waters may not be due so much to the seals but to the pollution of the coastal waters. It may be a very dilute pollution, but nevertheless that could be the reason. I would suggest that perhaps some research might be carried on in that regard if it has not already been done. It may have been done.

Naturally I have not the facilities at my hand which are available to the department, so I was not able to find out in the short space of time allotted to me whether research in this connection had been done or not. I therefore took a short cut, I must admit. I looked through some literature to see if I could find any comments that were

recorded in the past to indicate that such a thing might be true. I found a letter which was written from St. John's, Newfoundland, in 1583 by an individual who happened to be visiting there. He was a Hungarian called Stephanus Parmenius. He was from Buda in Hungary. Of course Buda is now part of Budapest. It was written to Richard Hakluyt in London, and had to do with his impressions of Newfoundland. No doubt the Secretary of State would be interested to know what he had to say. In one connection he says this:

. . . we mooved the Admirall to set the woods a fire, that so wee might have space, and entrance to take view of the Countrey, which motion did nothing displease him, were it not for feare of great inconvenience that might thereof insue: for it was reported and confirmed by very credible persons, that when the like happened by chance in another Port, the fish never came to the place about it, for the space of 7. whole years after, by reason of the waters made bitter by the Turpentine, and Rosen of the trees, which ranne into the rivers upon the firing of them.

Then again, just to make sure that I was not quoting one crackpot's idea of why the fish went away, I looked about to see if I could find something that might further confirm this idea and I turned to Nicolas Denys' description of Acadia which was written about 1671. He has this to say:

From the end of the spring and during the summer and autumn, there often occur thunderstorms, but they do not last. Nevertheless the thunder falls sometimes in fire and strikes in the woods, where everything is so dry that it continues there some three weeks or a month. Unless rain falls sufficiently to extinguish it, the fire will burn sometimes ten, twelve, and fifteen leagues of country. At evening and at night, one sees the smoke ten and a dozen leagues away. On the side to which the wind is carrying it, it is seen very far off. In the places where that occurs all the animals flee from it fifteen and twenty leagues. If this happens upon the border of the sea, where the water from the rains can wash down into it, all the fish flee from it, and there will be no fishery the following year, nor water-fowl on the coast; hence the fishing vessels must seek other places, or else they will accomplish nothing. I have seen this happen not by the fire from the sky, but by the accident of a cannonier, who, drying his powder on Miscou—

That is Miscou island down in New Brunswick.

—set it afire in using tobacco, and the fire reduced to cinders a good part of the woods of the island. The result was that the following year there was no cod on the coast, so that the fishermen were obliged to so seek their fish elsewhere.

I just make those suggestions to point out to the parliamentary assistant and to the Secretary of State that perhaps this question of conservation of our fish is not quite so obvious a thing as just killing a few extra seals; because before the balance of nature was disturbed by the white man in North America there was an abundance of seals and also a superabundance of fish. I do not think we can bring that imbalance back into balance by just destroying a few seals. I would therefore suggest that a little bit of research work in connection with this matter might be justified.

While I am speaking on the subject of conservation very briefly, I should like to recommend to hon. members an excellent book that has just been published recently incidentally by a man who is an employee of the federal government. This book-writing is a hobby on the side. It is an excellent book which will bring home to young people the life cycles of the sea and, I think, make them understand the whole problem of conservation as it applies to the sea. It is called "Peter the Sea Trout" and is written by Mel Thistle.

Item agreed to.

Fisheries Research Board of Canada—
144. Headquarters administration, $131,090.

**Mr. Hamilton:** I have one or two comments which I rather hope will be helpful to the government. Before I make them, however, I should like to ask a simple question of the acting minister or the parliamentary assistant. How many members are there in the fisheries research board?

**Mr. MacNaught:** There are 18 members on the board.

**Mr. Hamilton:** They serve without pay. Is that correct?

**Mr. MacNaught:** They get per diem allowances when they meet.

**Mr. Hamilton:** Is that particular item included in your estimates at any point?

**Mr. MacNaught:** It is "honoraria to board members and others", $2,700.

**Mr. Hamilton:** I think you will find that was for last year, Mr. Chairman. There is a blank for this year. Of course, travelling expenses have gone up by $8,000. Perhaps they are going to pay them in that way.

**Mr. MacNaught:** Yes, Mr. Chairman, there is a change this year in the item. The honoraria are dropped and the per diem allowances are now included in the item "travel by board members, $20,000".

**Mr. Hamilton:** You know, Mr. Chairman, I had not expected to deal with this matter to any extent, but when you dig into something is it not amazing what you find? Here we have a case where in the past people

willingly—and we can only presume and I want to think and do think it was willingly —were giving their services to the government of Canada and were being paid a straightforward amount as an honorarium on which you could put your finger. This year we have a switch. We are taking that amount and, in the very words of the parliamentary assistant, are now including it in travelling expenses. As I remember it, he used the words, "The honoraria are now included in travelling expenses". We are hiding it. We are taking away from this parliament the opportunity to examine exactly what we are doing. Not only are we hiding it but we are taking $2,700 last year under honoraria and turning it into an $8,000 increase in travelling expenses, and that is probably why they are hiding it.

As a comparative newcomer it is astonishing to me to find something like that being done and I think it is certainly something which is not to the credit either of the government or the person who drew up these estimates. It gives one cause to wonder, among other things, how many other similar items are hidden in these estimates which are called one thing and which are actually another. As a matter of fact, are there any other similar cases with respect to the fisheries research board about which the parliamentary assistant knows and can tell us?

**Mr. MacNaught:** The only thing I can point out to the hon. member for Notre Dame de Grace is that this item is handled in exactly the same manner as it is handled by other boards, for example, the national research council and other similar boards. It is approved by the treasury board and it is in exactly the same terms.

**Mr. Hamilton:** That is interesting information. Therefore we can assume that the other departments of the government which have similar boards are also hiding honoraria under the designation of travelling expenses. I think that would be a safe assumption and, of course, interestingly enough we must not lose sight of the fact—

**Mr. Pickersgill:** I think the hon. member is under a misapprehension. Honoraria were paid last year. They are no longer being paid. A change has been made in policy. The people who used to be paid honoraria are now paid a per diem allowance which is part of the travelling expenses.

**Mr. Hamilton:** That is again an interesting statement. It is not quite the way I heard it before. Can the minister tell us whether this amount as honoraria was taxable?

[Mr. Hamilton.]

**Mr. Pickersgill:** I am afraid I am not an expert on the subject. I have never received an honorarium.

**Mr. Hamilton:** I think it is a safe assumption to say that such honoraria are taxable. I think it is also a very definite statement of fact that travelling expenses as such are not taxable. I think it is very interesting that the department, for reasons known to themselves, have chosen to follow this course of action. It almost sounds as if one department of the government is trying to do the other out of a certain amount of revenue, although at that it is a rather commendable feature.

In general for a few moments tonight I should like to deal with some of the publications issued by the fisheries research board which are included in these estimates. I asked a question about this matter on the orders of the day some time ago. The Minister of Fisheries apparently did not read the question. He read the newspaper reports thereon, and he replied at some length in the house a while ago. At that time the minister claimed that the purpose of these publications was to exchange information between scientists in Canada and elsewhere, and with that we can have very little quarrel. Referring to these publications, the minister said that it is really a measure of economy avoiding waste by duplication of effort just through the limited publication of current investigations.

The interesting thing about that is that according to the return tabled in the house by the Secretary of State in answer to my question none of these publications has ever been sold, not one copy, and not one copy has been distributed without charge. In other words, according to the parliamentary return tabled in the house, the printing of these publications has served absolutely no useful purpose. They have been printed and they have not been distributed. The parliamentary return is sessional paper No. 117-A, tabled on Wednesday, April 7, 1954.

The minister in the course of his remarks did make one rather interesting assertion. In order to demonstrate the small cost to the taxpayer, as the minister saw it, of these various publications he argued that the wastage which he admitted can be calculated by taking the remaining copies which are on hand and valuing them at their selling price. The resulting figure according to him represents the waste arising from the printing of the publications. I am going to explore this a litle bit because it smacks very much of the same kind of financial wizardry which

we were discussing a few minutes ago in connection with travelling expenses. The minister said, as found at page 4506 of *Hansard* of May 7:

> The important point as far as waste is concerned is the amount which is surplus.

As an example of his mathematics, he referred to the publication covering the cruising speed of goldfish. You will remember that one. There was another one on "Abdominal Width and Sexual Maturity of Female Lobsters on the Canadian Atlantic Coast", commonly referred to by most of the newspapers as "The sex life of the lobster". With reference to the one on the cruising speed of goldfish the minister said:

> We have thirteen copies of this left at 20 cents each, which means a surplus cost of $2.60.

The argument that the selling price and not the cost of the publication determines the cost of the service to the taxpayer is completely misleading, unethical and fallacious. It is like saying that the fire department of a city does not cost the municipal taxpayer a cent because he does not have to foot the bill when he calls the fire department to put out a fire. If you used this argument in the way it is used by the minister you could print a million copies of a publication for free distribution, then decide not to distribute them, and there would be no wastage because even as thirteen times 20 cents is $2.60—and he says that is the surplus cost in that case—a million times zero is still zero.

Therefore according to his argument a million copies of a publication which he has printed and then decided to throw away have not cost the taxpayer a cent. Obviously too this sort of argument means that the more valuable a publication becomes in so far as its selling price is concerned, the more the taxpayer is saved by the government giving it away. This curious type of saving increases steadily as more and more copies are given away for nothing.

For example, if the government has on hand 1,000 copies of a $2 publication, the wastage according to the minister's reasoning is $2,000. If they give away 500 copies, the wastage drops to only $1,000. If they give them all away, then there is no wastage at all. I am using the minister's reasoning and everything except the minister's figures. Pursuing this argument to its logical conclusion, and using the minister's reasoning exactly as he used it—it must be good reasoning because he is a Rhodes scholar, Mr. Chairman; if this is the type of reasoning that comes from Rhodes scholars on the government side, I am glad we have a different type of Rhodes scholar on our side.

[Mr. Hamilton.]

**An hon. Member:** So are we.

**Mr. Hamilton:** In pursuing this Rhodes scholar type of reasoning, there would be absolutely no wastage at all if, as soon as these publications were received from the printer, they were all dumped into the Ottawa river. Perhaps that is what the minister had in mind when he developed his arguments. In any event, I shudder to think what might happen if some of the rumours we have heard recently become true and the Minister of Fisheries becomes the Minister of Finance, and retains his philosophy that the more you throw away the more you save. It practically qualifies him to lead the Social Credit party.

**An hon. Member:** Louder and funnier.

**Mr. Hamilton:** A few days ago the hon. member for Digby-Annapolis-Kings told a very interesting little story in the house. As I remember it was about a fish ladder built in his constituency, only when the ladder was built there was not any water so they had to go around and bail the fish out, then dump them above the ladder. This sounds amusing at first. It is hard to believe that any sensible, sane, sound group of men would do things like that.

But let us have another example, stating facts again, to see what these hon. gentlemen from the other side can do. In his attempt to defend some of these publications, you will remember the publications which the parliamentary return said had not been sold or given away, one of them concerned the cruising speed of goldfish. The minister said it resulted from research in connection with the Hell's Gate fishway in the Fraser river canyon. He said these were fish studies carried out in order to determine the range and cruising speed of fish. Then he went on to say how valuable that information was in connection with fisheries.

The truth of the matter is, Mr. Chairman, that according to the international Pacific salmon fisheries commission, bulletin 3, page 10, the right bank of the fishway was completed in the spring of 1945. The left bank fishway was constructed in two sections; the lower end was completed in the spring of 1945 and the upper section was not finished until the spring of 1946. In other words, everything was done by the spring of 1946. The pamphlet referred to was received for publication in March, 1947, covering experiments carried out between October 25 and November 30, 1946. This is an interesting fact, because it shows just how the taxpayer's money can be spent, and the government attitude towards so many of these things. It is apparent that, having completed

in the spring of 1946 the new fishways at an approximate cost of $2 million, about six months later in the fall of 1946 the government commenced an experiment with goldfish to see whether the fishways would work.

I think, Mr. Chairman, in all sincerity that we can stand here and be glad that despite such bungling the fishways do work and that they are doing a job for the fisheries on the Pacific coast. Certainly it is no thanks to the government who built them first, then tried to find out later whether or not they worked.

Undoubtedly we are going to hear from one or two hon. members before very long who will try to turn these words of mine, as the Minister of Fisheries did previously; try to turn them into some sort of indictment of fisheries research generally. They will try to infer from these words that I am opposed to constructive undertakings in this field. I suppose that is part of debate, taking sincere words of a member on this side of the house and trying to controvert them or twist them and make them mean something else. I want to make it clear, Mr. Chairman, to all those who may read or hear these remarks, that honest publication of worth-while things which are needed and used by people or by scientists is a good thing. I want to make it quite plain that, in my estimation at least, and I think that of my colleagues, good research, purposeful research, sincere and intelligent research is something that has the wholehearted approbation of myself and my colleagues.

But, Mr. Chairman, that does not necessarily condone, and I do not condone, such things as research which is carried on after a project is completed in order to see whether it is going to work. It does not condone publication of research which nobody wants to read. It does not condone, in another field, the transfer of remuneration to people who may be doing this research from a branch in which it is taxable into a field in which it is not taxable. It does not condone the hiding of honoraria and other things like that, and including them in another category. It does not condone, Mr. Chairman—the government will be glad to hear this because we are coming to the end of the session and it is probably the last thing I will have to say this session; I am glad I can make this my closing remarks—for one moment the continuous wastage of public funds which could be more effectively spent in other ways, and the almost misrepresentation of this wastage and the attempt to make it sound as if it was doing a useful purpose.

**Mr. Pickersgill:** I do not intend to allow what the hon. member for Notre Dame de Grace has said to go without the feeble attempt of someone who was not good enough to get a Rhodes scholarship to reply to it.

**Mr. Hamilton:** I have not got one either.

**Mr. Pickersgill:** The hon. gentleman said his observations were sincere. I am not going to question his sincerity, but one is forced to question either his sincerity or his intelligence. I have in my hand the sessional paper from which the hon. member quoted, and of course when it is read it does not give the impression that he has sought to give to it. The answer came only from the department for which I have the constitutional responsibility, the department of public printing and stationery—it did not come from the Department of Fisheries at all—and it begins with this note:

> The above are excerpts from government publications which are not available for free distribution—

That means free distribution by the printing bureau. In other words they are for sale, and they are in the catalogue if anybody wants to buy them. It appeared that nobody did want to buy them from the queen's printer; and I think it is perfectly obvious why nobody wanted to buy them from the queen's printer because, in spite of their titillating titles, I do not think they are very popular reading, and I doubt if even my hon. friend from Kamloops would be very worried about having them in the hands of children. They are provided by the department concerned—in this case the Department of Fisheries—for the use of technical staffs and for exchange purposes between scientists.

I said a little while ago that I did not know whether honoraria were taxable, because I never had received an honorarium. But, as hon. members know, I used to be an academic—while I was still respectable—and in that capacity I occasionally published articles in magazines. One could always get a number of extra copies of them for practically nothing, for about the cost of the paper. Putting the impression on a few extra copies, even by the *Queen's Quarterly*, which I am sure the hon. member for Greenwood would agree is not run extravagantly or wastefully, could be done at almost no extra cost.

That is why these extra prints are produced. And they are stuck in the catalogue—that is in the queen's printer's catalogue—just in case somebody somewhere might see them and want to buy one of them. And it is done in order to make this a complete catalogue of all government publications.

I have made it my business to know a little about what the fisheries research board is doing, because it concerns the livelihood of most of the people who voted for me, and most of the people who voted against me

in the last election. And I doubt if there is any organization in the whole of the government service that is doing better work. I do not say there are not many others that are doing just as good work, but I do not think they are doing better work than is being done by this board. And I am sure the papers they publish are things that are worth having some permanent record of. I do not pretend to be a scientist and I am not going to pretend that I can say precisely what they are worth.

Then, on the other point raised by the hon. member, while I am no expert on the income tax, I am told that whether an allowance is called an honorarium or a per diem allowance, the income tax branch takes exactly the same view of it.

**Mr. Green:** On May 7 I asked the minister about the situation in Hecate strait so far as the crab fisheries are concerned. At that time he promised to bring in some figures. I should like to point out to the parliamentary assistant that this situation appears to be very serious, namely, that American fishing vessels are getting the great bulk of the crabs being caught in Hecate strait. They are taking them up to an American fishing port in Alaska, and apparently are doing a big business. Canadians are worried for fear the whole fisheries will be ruined before something is done by the government.

I have here a copy of a publication known as the *Pacific Fisherman*. This is the issue of August, 1953. In it I find an interesting article with the heading "Pacific Pearl of Alaska". Pacific Pearl is the name of an American company. Then there is a subheading which states "New Industry is built upon Hecate Strait Crab Resource". Reading the first paragraph, I find this:

> Four years have made Ketchikan, Alaska, the principal center of Pacific crab canning—four years and one company—Pacific Pearl of Alaska, Inc., which initiated the operation there in 1950.

Then the article goes on to say:

> Two developments took Pacific Pearl to Alaska: First, the cyclic shortage of crabs on the Washington coast, where the organization previously had centered its activities.
>
> Second, the proving of a substantial population of Pacific crabs in the international waters of Dixon entrance and Hecate strait.

Dixon entrance is between the northern shore of the Queen Charlotte islands and Alaska; but Hecate strait lies between Queen Charlotte islands and the mainland of British Columbia. The article explains that there are eight of these boats carrying on the crab fisheries. It goes on to say:

> These boats are able to carry around 1,200 dozen crabs each in a full load. All are equipped to use their holds as live tanks, supplied by pumps with a constant supply of fresh sea-water . . . Each boat fishes from 400 to 500 crab pots—drum-shaped iron frames, protected from electrolysis by rubber coverings, and with the netting made of stainless steel wire.

Then we find the subheading "International Ocean Waters yield Prime Crab Catch". It shows clearly that the Americans regard Hecate strait as international waters in which they have as much right as Canadians. It says:

> Fishing is done in international waters in Dixon entrance, through which passes the boundary line between Alaska and British Columbia; and in Hecate strait, separating the Queen Charlotte islands from the Canadian mainland . . . In mid-summer at the latitude of Dixon entrance and Hecate strait the long hours of daylight permit the crab boats to find and haul their pots 21 hours out of the 24. Operations usually are suspended at midnight, to be resumed at 3 in the morning. Such hours mean hard work for the crew, and the job is anything but a rest. Once a boat has run her string, she heads for home—

That is, for Alaska.

> —without a moment's waiting. Her hold is full of thousands of scuttling, clawing crabs, as lively and pugnacious as when they crawled and clashed on the sandy sea bed.

These crabs, which I claim are Canadian crabs, are taken to an Alaskan port and are shipped into the mainland of the United States as American crabs. They do not have to pay any duty. A Canadian fisherman who catches some of the crabs in the strait has to pay duty in order to sell those same crabs to the United States. The only place he has any protection at all is within three miles of the shore, and I believe that practically all the crab fishing is done beyond the three-mile limit.

I believe the crab fisheries off the Washington coast have been pretty well cleaned out, and I am afraid the same will happen in Hecate strait. We will wake up one of these days to find that while we have been trying to get up enough courage to tell the Americans that Hecate strait is Canadian territorial water, their fishermen will have cleaned out all the Canadian crabs. The parliamentary assistant must realize that that situation is intolerable. I hope he can give some reassurance tonight that the government is moving to put a stop to this procedure.

**Mr. MacNaught:** When the estimates were before the committee on May 7 the minister did promise to bring in certain information for the hon. member for Vancouver-Quadra relative to crab fishing catches in Hecate strait.

Data concerning the catch of crabs by Americans in the year 1953 are not yet available. The only source from which we can get this information is Seattle, and it is not yet available to us for 1953. However we do

know that there were 19 crab fishing vessels all well equipped with the latest offshore pots and operating at that time in Hecate strait.

**Mr. Green:** Is that 1953 or 1954?

**Mr. MacNaught:** As of June 20, 1953 there were 19 crab fishing vessels all equipped with live wells and the latest offshore pots. Of this number 10 were American, 8 from Washington state and two from California. These were using 5,100 crab pots. The remaining eight were Canadian vessels fishing 2,990 pots. The American fishery, however, in 1953 represented an increase of 2,500 traps over 1952. Then I can give the hon. member the statistics for the last three years. The American catch of crabs in Hecate strait: in 1950 they had six operating vessels and the catch was 880,292 pounds; in 1951 they had seven vessels operating and the catch was 960,749 pounds; in 1952 they had five vessels operating there and the catch was 1,169,062 pounds.

During the same period the landings of crabs taken by Canadian fishermen in the area of Hecate strait and Dixon entrance were for the year 1950, 722,000 pounds; in 1951, 808,303 pounds; in 1952, 1,105,100 pounds, and for 1953, 1,703,500 pounds.

**Mr. Green:** Has the parliamentary assistant the figures for Hecate strait as distinguished from the other?

**Mr. MacNaught:** No.

**Mr. Green:** These are not the figures I asked for. I asked for the figures for Hecate strait. The parliamentary assistant has included the figures from Dixon entrance, which I was not questioning.

**Mr. MacNaught:** The American figures I gave are for Hecate strait, purely for Hecate strait.

**Mr. Green:** The figures for the Americans were only Hecate strait?

**Mr. MacNaught:** Hecate strait.

**Mr. Green:** What are the Canadian figures?

**Mr. MacNaught:** I have not them broken down in that way. I am told that the statistical department has not broken them down in that way.

**Mr. Green:** The Canadian figures are valueless if they include Hecate strait and Dixon entrance. Incidentally, the American figures are higher than the Canadian figures as it is except 1950, and the latter include both Hecate strait and Dixon entrance.

**Mr. MacNaught:** That is the way the figures are kept in our breakdown. I regret I cannot give any other figures at this time.

[Mr. MacNaught.]

**Mr. Green:** I am told that as much as 80 per cent of the crabs taken from the three-mile limit in Hecate strait are taken by the Americans. Do the parliamentary assistant's officials quarrel with that estimate?

**Mr. MacNaught:** The officials tell me they can neither confirm nor deny that statement. They have no means of knowing whether it is correct or not.

**Mr. Green:** This fisheries research board has scientists on Queen Charlotte islands every summer. Is it not possible for them to find out what is happening there?

**Mr. MacNaught:** It would be possible for our officials to break these statistics down as far as Canadian catches are concerned, but as far as American catches are concerned, we have to rely on figures furnished by the American officials.

**Mr. Green:** Will the parliamentary assistant get those figures? He has given me the Canadian crab figures for the Dixon entrance and Hecate strait combined. He can have the Hecate strait figures sent to me during the recess.

**Mr. MacNaught:** I will endeavour to do that, Mr. Chairman. Whenever the figures are provided to me, I will see that they are forwarded to the hon. member.

In connection with the other matter he brought up, namely, the international aspect of the Hecate strait, this is a matter that has caused concern to the department for many years. At the present time, as the hon. gentleman knows, it is receiving the consideration of an interdepartmental committee. I do not know when a report will be available, but I know the matter is receiving active consideration.

**Mr. Green:** No actual step has been taken since we discussed this matter in the house earlier in the session?

**Mr. MacNaught:** No.

**Mr. Green:** Has the Canadian government taken the stand that Hecate strait is Canadian territorial water?

**Mr. Pickersgill:** I understand that our view has always been that it is territorial water, and the American view is that it is the open sea. The same thing applies of course on the east coast in a good many places. We have never been able to reconcile a good many of these differences. As the hon. member knows, there is a case before the international court at the present time which may codify the international law in this respect. But there is no very effective way in which we can force the Americans to accept our view.

**Mr. Green:** In other words, there is no way in which we can stop the Americans from taking our crabs?

**Mr. Pickersgill:** We say they are ours; they say they are in the open sea.

**Mr. Green:** You are not going to stop at that. Does the minister say that Canada is going to sit back because the Americans say this water is international water and there is nothing we can do about it?

**Mr. Pickersgill:** I am sure the government would be delighted to have any practical suggestion that the hon. member for Vancouver-Quadra, or any other hon. member, could make as to how we can get the Americans to accept our view, as we certainly would like to have them accept our view.

**Mr. Green:** Why not have the matter taken to the international court? Is there any objection to that?

**Mr. Pickersgill:** I could not say, but I shall be glad to bring the suggestion to the attention of my colleagues.

**Mr. MacNaught:** Before the item passes, may I say that before he was called home this morning owing to some illness in his family, the hon. member for Charlotte asked me if I would make one comment when this item was before the committee. He wanted to know whether any additions would be made to the St. Andrews biological station this year. I want to put on record the fact that the department is aware that the space available there for scientists is rather inadequate, and that every consideration is being given to the advisability of enlarging it.

Item agreed to.

*145.* Operation and maintenance, $1,995,939.

**Mr. Michener:** The item which has just been passed, this item and the next two items cover substantially all of the research work of the Department of Fisheries, and includes the substantial amount of $2,500,000. The research which relates to great lakes fisheries, I take it, is carried on in conjunction with the research board with which I had some association in Ontario. I am interested to know the relationship between the federal fisheries research board and the inland fisheries research and whether its jurisdiction is nation-wide. If the parliamentary assistant can tell me that I should like to make one or two further comments.

**Mr. MacNaught:** The scope of the board is nation-wide; it covers all of Canada, since it is carrying on investigations in the inland waters as well as on the Pacific and the Atlantic coasts.

**Mr. Michener:** I take it the investigation in the great lakes is carried on in conjunction with provincial agencies, and that the whole thing is co-ordinated, as it ought to be. It is a very important and difficult kind of research, as I know. As every fisherman knows, the habits, the presence and the absence of fish, what makes them come and go, and where they are, is one of the most difficult things to deal with scientifically. The experiments on the great lakes that are helping to maintain these inland fisheries are of great importance, I assume, to people on both coasts and in all sections who make their livelihood from fishing.

The board with which I was concerned was the Ontario research board. It was made up of knowledgeable and reputable people who were good enough to lend their time and effort to direction of very substantial research expenditures. It is gratifying to know that there are people who will come forward for this kind of activity. I was interested to know the size of this board. I take it, it is distributed geographically, which is only fair. If the parliamentary assistant has no objection I am sure parliament would be glad to have the names of these people who are offering themselves voluntarily in this way to the furtherance of scientific research. If the names could be given to the committee so that we could recognize them for the work they are doing I would appreciate it.

**Mr. MacNaught:** I have not the names in front of me at the moment, but if this item could pass, one of the officials will write them up and then I can put them on the record in a few moments.

**Mr. Hamilton:** Mr. Chairman, I cannot help but be interested in an item amounting to more than $107,000 for travelling expenses. I am just wondering whether the parliamentary assistant or the minister, who gave us such a delightful exposition in Twillingate in answer to my last question, would care to give us a breakdown.

**Mr. MacNaught:** This item of $107,000 is made up as follows: directors and senior staff, $34,000; investigators in the field, $41,000; transportation of student assistants, $7,000; transportation of employees, $2,000; and removal expenses, $350.

It covers the travelling expenses of the directors of the stations on visits to the headquarters of the board, and attending meetings, and the expenses of directors and senior staff in following up the work in the field, as well as attending conferences and scientific meetings. The work of the biological stations, particularly, is spread over large areas

and the workers must cover those areas at intervals and for varying periods of time. This item makes provision for this necessary cost of the investigations. The terms approved for the employment of student assistants provide for the payment of transportation expenses, less $30, in reporting for duty and returning to home or university and this item provides for those costs. The provision of transportation to work of employees at the Atlantic biological station and the Pacific biological station is also included. Included also is provision for changing the headquarters of an employee of the Pacific biological station and paying his removal expenses.

**Mr. Hamilton:** The first item in the breakdown was $34,000?

**Mr. MacNaught:** That is correct.

**Mr. Hamilton:** Exactly on whom was that spent?

**Mr. MacNaught:** The directors and the senior staff.

**Mr. Hamilton:** How many people?

**Mr. MacNaught:** It seems from the check of the statistics in front of me that about 125 persons are covered.

**Mr. Hamilton:** The fisheries research department then has 125 directors and senior staff. Is that a correct assumption from the parliamentary assistant's answer?

**Mr. MacNaught:** That is approximately correct.

**Mr. Hamilton:** In other words we have here, Mr. Chairman, an organization whose staff appears to be composed entirely of generals with very few privates. That would seem to be the case for we have in the headquarters administration about 14 people—

**Mr. Dickey:** We have 450 people there.

**Mr. Hamilton:** —and in the operation and maintenance staff we have some 442 including such persons as 73 seasonal assistants. I am sure they are not included in the group, and I am quite sure assistant scientists would not be included.

**Mr. Pickersgill:** Surely assistant scientists must be regarded as senior personnel. Look at the salaries.

**Mr. Hamilton:** I do not think we said "personnel". We said directors and senior staff. In other words, senior officials. I know it is a little bit annoying to the parliamentary assistant but we have seen cases in which we have had to watch the terminology being used in this house very carefully—

[Mr. MacNaught.]

**Mr. Harris:** We certainly have.

**Mr. Hamilton:** In other words, one out of every three of the people involved in this scientific organization would appear to be senior members of the senior staff. Is that correct?

**Mr. Pickersgill:** I wonder what else the hon. member would expect in a scientific organization which is engaged primarily in research. Would he expect a major number of the employees to be common labourers or office boys or would he expect them to be scientists?

Item agreed to.

*147.* To provide for federal share of administrative expenses of great lakes fisheries research committee established jointly with the province of Ontario; and to provide for a program designed to eliminate lampreys in the great lakes, $165,000.

**Mr. Coldwell:** Mr. Chairman, I would like to ask how the department is getting along with the elimination of the lampreys in the great lakes which play such havoc with whitefish and other fish. I am just asking that out of curiosity because I think we have heard about this every year and I would like to hear about it once more.

**Mr. MacNaught:** Perhaps I could refer the hon. gentleman to an article which was published in the *Trade News* of May 1954 and if the hon. gentleman has not got a copy I will see that he gets one.

**Mr. Coldwell:** Thank you very much.

**Mrs. Fairclough:** Mr. Chairman, I notice there has been a substantial increase in this item and I wonder if the parliamentary assistant could explain in what way the activities of this particular enterprise are going to be augmented.

**Mr. MacNaught:** The federal government and the Ontario provincial government last year established a great lakes fisheries research committee to carry on and expand fisheries research in the Canadian waters of the great lakes, and various experiments are being carried out there, especially on lake Superior. The lampreys have now penetrated as far as lake Superior and experiments will be carried out in the rivers leading in from the Canadian side of lake Superior.

**Mrs. Fairclough:** Does the parliamentary assistant mean that because of the entry of the lampreys into lake Superior that the amount for the investigation has been trebled for this year?

**Mr. MacNaught:** Well, it is more than an investigation. Electrical devices are to be used to see if they will be effective in killing

the lampreys and they are also experimenting with certain types of poison. It has really got beyond the experimental stage now.

**Mrs. Fairclough:** I am sure the parliamentary assistant will agree with me that it would arouse anyone's curiosity when the amount is trebled even if we were to admit that this money was being spent for a good purpose. But we would still like to have an explanation of the increase from $50,000 to $150,000 and we would like to know just what the department proposes to do.

**Mr. Pickersgill:** I suppose the fact that the Ontario government is also willing to spend more on this project will reassure the hon. lady.

**Mrs. Fairclough:** Is this a case of matching expenditure?

**Mr. MacNaught:** Yes, the Ontario government pays an amount equal to that paid by the federal government.

**Mr. Macdonnell:** That seems to me to be an extraordinary argument. For all we know the Ontario government may be using exactly the same argument to justify their item.

**Mr. Pickersgill:** They probably are.

**Mr. Macdonnell:** Surely the minister can think of a better answer than that.

**Mr. Nesbitt:** Could the parliamentary assistant give us an idea of how many personnel are involved in these experiments?

**Mr. MacNaught:** I am afraid I cannot give that information to the hon. gentleman. Day labourers are used in these electrical and other installations and we have no record here of how many day labourers will be involved in the carrying out of these installations.

**Mr. Nesbitt:** Perhaps the parliamentary assistant could tell us how many personnel there were supervising these installations or whatever they were.

**Mr. MacNaught:** I am told that the main part of the supervision is being done by officials of the government of Ontario, and that one official from our department is acting as liaison between the federal Department of Fisheries and the Ontario government.

**Mr. Nesbitt:** Yes, Mr. Chairman; but how many officials are there involved altogether? What I mean is this: If the federal government is putting up all this money, albeit that it is the Ontario government that is being assisted in the matter, surely we should have some idea as to how many persons are involved, what they are doing or how many lampreys are being killed.

**Mr. Pickersgill:** I should be glad to have the Ontario government asked to give us that information. I agree with the hon. member for Greenwood that my rather flippant answer was not meant to be taken seriously.

**Mrs. Fairclough:** We do not take it seriously.

**Mr. Pickersgill:** I shall be glad to see that inquiries are made. The officials have not that information here now. I shall be glad to see that inquiries are made of the Ontario government, if the officials have not the information in their possession, and to make it available to my hon. friend.

**Mr. Nesbitt:** From that answer I take it that while this rather substantial amount of money is to be paid out, no one seems to know exactly what it is for.

**An hon. Member:** Are you against it?

**The Deputy Chairman:** Shall the item carry?

**Mr. MacNaught:** Before the item carries I should like to deal with one matter that has been raised. The hon. member for St. Paul's asked me if I would be kind enough to get him a list of the members of the board. The list has now come into my hands and I shall read it or put it on the record.

**An hon. Member:** Put it on the record.

**Mr. MacNaught:** The chairman is Dr. J. L. Kask, who is full-time chairman; Dr. J. H. L. Johnstone, Dalhousie University, Halifax; Dr. Raymond Gushue, St. John's, Newfoundland; Mr. O. F. Mackenzie, Halifax; Mr. J. H. MacKichan, Halifax; Dr. C. W. Argue, University of New Brunswick, Fredericton; Dr. Lucien Piche, University of Montreal; Dr. P. E. Gagnon, Laval University; Dr. A. T. M. Cameron, McGill University; Dr. G. B. Reed, Queen's University; Dr. J. R. Dymond, University of Toronto; Dean I. M. Fraser, University of Saskatchewan; Dr. W. A. Clemens, University of British Columbia; Mr. R. E. Walker, Vancouver, B.C.; Mr. K. F. Harding, Prince Rupert, B.C., and Dr. A. L. Pritchard of the Department of Fisheries.

**The Deputy Chairman:** Shall the item carry?

**Mr. Macdonnell:** No, Mr. Chairman; I do not think we should leave the matter as it is. I do not think it is fair to the minister that his flippant answer should be left as it is. I think that either this $165,000 item should be explained or that it should stand until it can be explained.

**Mr. Pickersgill:** I shall endeavour to give as serious an explanation as can possibly be

given of this item. I have never seen a lamprey. I am reminded by a very distinguished member of this committee that King John died of a surfeit of these animals. I hope the committee this evening is not going to suffer the same fate. As I understand it, the lamprey is an extremely serious pest in the great lakes where a large number of very worthy citizens of this province—and many of them in the county in which I happened to be born, Norfolk county—make their living. I understand that the Ontario government and the federal government became seriously concerned about this matter and that we were able to arrange some kind of co-operation with the Americans. I am not sure of what the details of this arrangement were; after all, this is not my department. I understand that we did reach an arrangement in co-operation with the Ontario government which, as hon. members know, administers the fisheries in that province, whereby we were to contribute 50 per cent of the cost of this scheme.

Perhaps this is not the right kind of political statement to make, but our experience in most of our dealings with the Ontario government has been that when they go into a project of this sort with us, they do so seriously and co-operate well. I am quite convinced that this is being done well. If there are any specific details that I cannot give or that the hon. member for St. Paul's cannot give—after all, he has had perhaps more to do with starting this project than anyone else in the committee—I shall be glad to make an effort to get them.

**Mr. Nesbitt:** I should like to make one thing quite clear. I have in the past spent some time on commercial fishing boats on the great lakes; that is, on boats out of Port Dover in the riding from which the Secretary of State comes, his birthplace. I realize that this is a great problem and an important one. I have some firsthand personal knowledge of it. But despite the fact that I have no doubt or that, in fact, I have every confidence that everything the Ontario government does in this regard is excellent, nevertheless as a matter of principle I do not think it is exactly wise that the federal government—although with the best of intentions—should vote large sums of money like this without knowing exactly what they are for.

Item agreed to.

Special—

*155.* To provide for administration expenses of the Fisheries Prices Support Act, 1944, $85,875.

**Mr. Hamilton:** Can we get, for the year ended March 31, 1954, information as to how much was spent actually in support of fisheries prices under this act and perhaps even a forecast of the amount it might be in the coming year?

**Mr. Pickersgill:** I am sorry, it will take a second to find the figures.

**Mr. MacNaught:** That information was given in a reply to a question asked by the junior member for Halifax and put on *Hansard* last week. I have a copy of it here. The answer to the question asked by the hon. member was: purchase 1949 production, $82,000; deficiency payments on Labrador, 1950 production, $446,000. In 1953 the government purchased approximately $950,000 worth of salted codfish for relief purposes in Greece and Korea. Purchases from Newfoundland amounted to $500,000, from Nova Scotia, $190,000, New Brunswick, $10,000, and Quebec, $250,000. The amounts were based on the carry-over of the 1952 fish in each province. Deficiency payments were also authorized in Quebec and Newfoundland; the Quebec payments amounting to $37,000, and the Newfoundland payments, which have not yet been made up, will approximate $600,000.

**Mr. Hamilton:** That is for the period ending when?

**Mr. MacNaught:** March 31, 1954.

**Mr. Hamilton:** Have you comparative figures for the period ending March 31, 1953? In other words, if we add the two figures for deficiency payments together we get approximately $637,000, $600,000 in Newfoundland and some $37,000 in Quebec. Could we have the comparative figures for the preceding year?

**Mr. MacNaught:** On page 10 of the sixth annual report I find that the payment for the Newfoundland shore caught salted codfish support program amounted to $37,000.

**Mr. Hamilton:** Is the parliamentary assistant quite sure that the two figures he has given us are strictly comparable? He says that in the year ended March 31, 1953 the support program entailed an expenditure of approximately $38,000. I do not think it was quite that much. I think it was about $36,500 and they issued 1,307 cheques. Can he tell us whether the figures he has given are strictly comparable with the figures for the year ended March 31, 1954 totalling over $600,000?

**Mr. MacNaught:** I am informed by my officials it is not now possible because there was considerable overlapping between the two periods. The accounts for the 1953-1954

period moreover are not completely closed yet. There are still some outstanding.

**Mr. Hamilton:** The point I am concerned about is whether these payments are being made on the same basis. Are these estimates, when they are finally resolved, going to show that they were made for exactly the same reason? Has there been any change in the reason? The parliamentary assistant will notice that he has told us that payments in the year ended March 31, 1954 are almost twenty times as great as they were in the year ended March 31, 1953.

**Mr. MacNaught:** The very obvious answer to that is that the need for deficiency payments last year was much greater than it was in the preceding year.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Central Mortgage and Housing Corporation—

*761.* To provide for the restoration of the special account in the consolidated revenue fund established by section 36 of the National Housing Act, 1954, by the amount paid out of the special account in respect of housing and land development projects undertaken jointly with the governments of the provinces during the fiscal year 1953-54, $9,000,000.

**Mr. Green:** Could we have an explanation of this item?

**Mr. Bourget:** This item is an amount of $9 million. Hon. members will recall that the National Housing Act, 1954, by section 36, subsection 5, established a special account in the consolidated revenue fund to which shall be credited out of the consolidated revenue fund the sum of $50 million. From this fund the corporation borrows the money required to finance federal-provincial projects during the current year. This item is to re-establish the amount of $50 million that appeared at the beginning of the year.

**Mrs. Fairclough:** Does that mean that expenditures out of this fund are being reimbursed from the consolidated revenue fund? In other words, you have a reserve there of $50 million. Is that correct?

**Mr. Bourget:** Yes.

**Mrs. Fairclough:** And the yearly expenditures are to be reimbursed by this vote out of the consolidated revenue fund.

**Mr. Bourget:** This is a special account that has been established in the amount of $50 million. Suppose in a year we spend $8 million, $9 million or $10 million. Next year we have to reimburse that special account up to the amount of $50 million at which it was originally established.

**Mrs. Fairclough:** In other words, it is a type of revolving fund in reverse.

**Mr. Bourget:** Of this kind, yes.

Item agreed to.

*762.* To provide for advances to Central Mortgage and Housing Corporation for the purposes of subsection one of section 37 of the National Housing Act, 1954, in respect of housing projects for veterans, for the acquisition of land for housing projects, and for housing projects at Gander, Newfoundland, for sale or rental—further amount required, including authority for housing at Pembroke, Ontario, for the rental or sale to employees of Atomic Energy of Canada Limited, $1,110,000.

**Mr. Green:** Would the parliamentary assistant explain this item?

**Mr. Bourget:** This item is to provide for advances to Central Mortgage and Housing Corporation for the purposes of subsection 1 of section 37 of the National Housing Act, 1954, in respect of housing projects for veterans, for the acquisition of land for housing projects, and for housing projects at Gander, Newfoundland, for sale or rental. This further amount is required, including authority for housing at Pembroke, Ontario, for the rental or sale to employees of Atomic Energy of Canada Limited. That is the reason why this further amount of $1,110,000 is required.

**Mr. Green:** Is this development at Pembroke something new? Does it mean that no more people can be accommodated at Deep River?

**Mr. Bourget:** I am told that Atomic Energy of Canada Limited feels that they have to stop further housing expenditure at Deep River, and they think it would be better to construct new housing at Pembroke. That is the reason why this item is for housing at Pembroke.

**Mr. Green:** Is this a new development? Apparently they are now going to start a second Deep River settlement at Pembroke in effect. Is that the idea?

**Mr. Bourget:** No, it is just to erect fifty new houses at Pembroke so there will not be further housing at Deep River.

Item agreed to.

**The Deputy Chairman:** Shall we turn to the Department of Public Works supplementary item 407?

**Mr. Bourget:** Before we leave Central Mortgage, could we pass items 721 and 722?

*721.* To provide for the expenses incurred by Central Mortgage and Housing Corporation in constructing and supervising construction of married quarters, schools and related services on behalf of the Department of National Defence—further

amount required, including authority for such expenses incurred in connection with rental housing for the Department of National Defence, $750,000.

**Mr. Green:** This appears to be in connection with the construction of married quarters, schools and so on for the Department of National Defence. Why is that amount not charged to the vote of the Department of National Defence?

**Mr. Bourget:** Because it is an amount, Mr. Chairman, to be voted to the organization that is spending the money.

**Mr. Green:** This only covers expenses of Central Mortgage as distinguished from the cost of construction, is that right?

**Mr. Bourget:** It is administrative expenses to carry out the work.

**Mr. Green:** Is there any system of charging such expenses to the Department of National Defence? I do not see why Central Mortgage and Housing Corporation should be charged with that figure?

**Mr. Bourget:** It is because the Auditor General believes it is proper to vote the money to the organization that is spending it.

**Mr. Green:** Is it not a fact, then, that the Department of National Defence, when it shows a figure of so many dollars as the cost of putting up these works, is not showing a full cost because these administrative charges are charged against Central Mortgage and Housing Corporation?

**Mr. Bourget:** What my hon. friend has just said is correct. It is because the Auditor General asked that these expenditures be voted to Central Mortgage and not be capitalized.

**Mr. Michener:** The amount is quite substantial as a fee for supervision of construction of housing for the Department of National Defence. I wonder if we could have the total cost of construction which was accomplished by this amount of supervision, so we could relate the two together. What is the amount that has already been charged to the Department of National Defence for actual construction, and where are the projects?

**Mr. Bourget:** I am told that it will be about $37 million.

**Mr. Michener:** Where were those houses built?

**Mr. Bourget:** I have here a breakdown of that item. We have 1,327 units for the army at a cost of $17,162,000. We also have 7 schools at a cost of $1,982,000. Then, for the navy, we have married quarters, 131 units at a cost of $1,458,000 and 3 schools at a cost of $740,000. For the air force we have married quarters, 456 units at a total cost of $6,596,000, and 3 schools at a cost of $380,000.

**Mr. Michener:** That is all in Canada?

**Mr. Bourget:** Yes, Mr. Chairman, all in Canada.

**Mr. Macdonnell:** We have got now a large figure for the amount spent on the construction of these works. But this item of $750,000 is to be for expenditures incurred by Central Mortgage and Housing in supervising construction. Now, that has got nothing to do, I take it, with bricks, mortar or anything that goes into a building. What are the expenses incurred by Central Mortgage? Are those personal services, such as an architect rendered, or what? I think we should know more as to how this amount is arrived at.

**Mr. Bourget:** This amount is to pay the corporation for the amount of salaries of persons engaged in the work of supervision, plus 50 per cent of such salaries to cover overhead, travelling expenses, telephone, group insurance and so forth.

**Mr. Green:** There was a vote in the ordinary estimates under item 406 of $700,000 for this purpose. Does that mean there is a total of $1,450,000 for this purpose?

**Mr. Bourget:** Yes, Mr. Chairman, that is right, because since the main estimates were presented additional projects have been given to Central Mortgage. Those are projects additional to the ones covered in vote 406.

**Mr. Michener:** That is roughly a 5 per cent charge. I am interested in knowing how Central Mortgage financed this item in advance of the voting of the funds by parliament. We are asked here to repay a cost that has already been paid or incurred, and I would be interested in the mechanics of it, so as to explain the Auditor General's viewpoint.

**Mr. Bourget:** This money has not been spent yet. It will be spent.

**Mr. Michener:** The houses have been built, I understand, and the work done.

**Mr. Bourget:** The work is not done.

**Mr. Michener:** It is for construction to be done in the future?

**Mr. Bourget:** In the future.

**Mr. Pallett:** Does the amount include architectural work for these buildings?

**Mr. Bourget:** No, Mr. Chairman, only to the extent that Central Mortgage would provide the house plans.

**Mr. Pallett:** Central Mortgage provides the plans for these schools, and you have authorized the construction of so many schools. Does the parliamentary assistant know how many rooms there are in each school? There are seven schools in one item at a cost of $1,982,000, and that breaks down to about $280,000 per school; there are three schools at $740,000, which breaks down to about $250,000 per school; and three at $380,000 which breaks down to about $126,000 per school.

**Mr. Bourget:** The number of rooms per school range from six, 8, 10, 12 to 14. So far as the price per room is concerned, it is about $22,000.

**Mr. Pallett:** Does the parliamentary assistant know that the cost per schoolroom in Ontario is approximately $12,000 or $13,000?

**Mr. McIlraith:** No, it is not, and has not been for years.

**Mr. Macdonnell:** I want to be clear on this. I refer to item 406 in the estimates covering an amount of $700,000 to provide for expenditures incurred by Central Mortgage in connection with the supervision of the construction of married quarters. Now, then, item 721 is apparently for exactly the same purpose. It seems odd that an entirely duplicate set of buildings is covered by item 721. What is this new project? May we have some details; I am not clear about it at the moment.

**Mr. Bourget:** I have a list here of the additions made since the main estimates.

**Mr. Macdonnell:** Is this in addition to the project which was in hand at the time of the main estimates?

**Mr. Bourget:** Yes, this is in addition. Those projects were presented to Central Mortgage after the main estimates were tabled.

**Mr. Michener:** Is the total of the two $37 million? What is the additional amount.

**Mr. Bourget:** I am told the total of the two will be around $60 million.

Item agreed to.

Acquisition, construction and improvements of public buildings—further amount required—
707. Ottawa, $2,050,000.

**Mr. Green:** Why was it necessary to have this amount in the supplementary estimates? It is two-thirds of the total vote. The Department of Public Works is supposed to have the new look, and we understood that they had everything up to date.

**Mr. McIlraith:** They have.

**Mr. Macdonnell:** We want evidence of it.

**Mr. Green:** They are asking for an additional $2 million for public buildings in Ottawa, in the supplementary estimates.

**Mr. Bourget:** I am told $1 million is for the seminary and $1 million for property on Wellington street which was expropriated last year.

**Mr. Green:** Why was not at least some of this amount indicated in the main estimates?

**Mr. Bourget:** I am told that at that time the decision had not been taken. That is why it had to be brought in with the supplementary estimates.

Item agreed to.

Engineering branch; graving docks—
711. Prince Rupert dry dock and shipyard and appurtenant works—to provide for operating losses and essential repairs for the period January 1 to March 31, 1954, $39,000.

**Mr. Green:** Mr. Chairman, I am sure you would want me to ask a question on this, because it has to do with the Prince Rupert dry dock. Apparently this item is to cover operating loss and essential repairs for the period January 1 to March 31, 1954. What is going to happen from then on? It is of the utmost importance that this dry dock be continued in operation at Prince Rupert, and I am wondering what provision has been made to bring about that result.

**Mr. Bourget:** The only information I have is the statement made by the Minister of Transport at the time to the effect that the Canadian National Railways has advertised to sell the dry dock. So far as this department is concerned, I do not think we have any more information regarding it, except that the sale has been postponed until the end of September. It has been delayed six months.

**Mr. Green:** There is no provision in the estimates for operating the dry dock after March 31 of this year?

**Mr. Bourget:** That is right.

**Mr. Green:** I notice that the Minister of Transport is in the house at the moment. If the parliamentary assistant to the Minister of Public Works is not aware of what provision has been made for continuing the operating of the dry dock, perhaps the Minister of Transport could give us the information.

**Mr. Chevrier:** All I can say is that my recollection is that the operation of the dry dock is to continue for another period of six months; and thereafter the president of the Canadian National Railways has made the statement to the effect that one of the officers of the railways in Vancouver—I believe it is Mr. Allen—has been placed in charge of the

disposal of the dry dock. Meantime it may be possible to find a purchaser or to make some arrangement with persons who might be interested either in Prince Rupert or in Vancouver.

**Mr. Green:** Does that mean that if no purchaser can be found by September 30 this year this dry dock is to cease operating?

**Mr. Chevrier:** I would not say that. I think if that is the case we will have to take another look at the situation as it is then.

**Mr. Green:** Is there any vote in the estimates which could be used to continue the operation of the dry dock?

**Mr. Chevrier:** Not in the estimates of the Department of Transport.

**Mr. Green:** And apparently there is nothing in the Department of Public Works, because this vote we are considering is only for the period up to March 31, 1954.

**Mr. Chevrier:** As I said earlier my understanding is that there is provision for continuance until the end of the six months period.

**Mr. Green:** I hope some arrangement will be made so that the dry dock can be kept in operation. It would be a disaster of the first magnitude if it were not to be continued. The whole of that northern country is developing, with the opening up of Kitimat and the possible smelter on the Taku river in northwestern British Columbia, and it would really be a great tragedy if the dry dock at Prince Rupert is to be out of operation.

Item agreed to.

Roads and bridges—

712. Maintenance and operation—further amount required, $59,000.

**Mr. Green:** The Minister of Public Works made a statement on May 12 which is to be found at page 4645 of *Hansard* in which he said the government was going to contribute a certain amount toward the construction of the Marpole bridge across the north arm of the Fraser river. There does not seem to be any vote in the supplementary estimates to cover that assistance. In what way will it be provided?

**Mr. Bourget:** I am told that we have no agreement thus far with the province. If I remember correctly, when the main estimates were being considered the minister said that he would consider the question but he made no commitment. If I recall correctly he did make an offer. I think that offer was made to British Columbia to the amount of $400,000.

[Mr. Chevrier.]

**Mr. Green:** That is right.

**Mr. Bourget:** But no acceptance has been received from the province.

**Mr. Green:** The minister made a commitment of $400,000 on May 12?

**Mr. Bourget:** Yes.

**Mr. Green:** I notice the following in the Vancouver *Province* of June 23:

> Public Works Minister P. A. Gaglardi today said the provincial government will build toll stations on the planned $10,000,000 Oak street bridge "if Ottawa and Vancouver refuse to pay their one-third shares."
>
> He said tenders for the Marpole bridge replacement will be called in November and construction will definitely start next spring.
>
> "The bridge will take two years to build, so the federal government and Vancouver will have that time to make up their minds how far they'll go to help." said Mr. Gaglardi.
>
> "Our one-third share is available and we'll start building with it. Toll stations are not being drawn into the working plans, but they can be added if we find we will need them to get the other shares. But, the people of Vancouver and Richmond have suffered from that pile of junk (his view of Marpole bridge) too long now."

Have any steps been taken by the Department of Public Works since this definite commitment of May 12 of this year to have this whole position reviewed with the provincial government and the city of Vancouver? The commitment seemed to be definite enough. I do not see how the government can back out of it, although I believe that Vancouver electors turned down the plebiscite which would have permitted the sale of the airport. I have been told that, I am not sure it is actually so, but that surely has nothing to do with the question of replacing this bridge. I would urge that the department have a further look at this situation and get in consultation with the provincial government about it. Each government should pay one-third of the cost. There is no sense in just putting on a few repairs to the old bridge, which is about all that can be done, if the total amount involved is only to be $1,200,000. I believe the dominion government will have to pay one-third of the total cost of the new bridge, and should do so because it serves the airport primarily.

**Mr. Bourget:** I think the amount of $400,000 has been offered to the province to build the Marpole bridge, but I am informed that they want to build the bridge at Oak street.

**Mr. Green:** That is right.

**Mr. Bourget:** So far, I do not think—

**Mr. Green:** Does that mean then that unless the provincial government agrees to this ridiculous scheme of simply putting a lift

on the old Marpole bridge, the dominion government will not make any contribution at all?

**Mr. Bourget:** I am told that they will probably make the same offer for the Oak street bridge.

**Mr. Green:** The dominion government will pay $400,000 on a new bridge on Oak street?

**Mr. Bourget:** That is right, Mr. Chairman.

**Mr. Green:** I hope they will have a further look at it because they are going to have to pay more than that.

**Mr. Bourget:** I am not making any comment on that statement.

Item agreed to.

Acquisition, construction and improvements of harbour and river works—
*718.* Ontario, $435,900.

**Mr. Michener:** This item appears to supplement vote 392 in the main estimates which provides $6,573,000 for works there listed. I should like if possible to have the particulars of the new expenditure proposed in Ontario additional to those in the main estimates and which I see are listed here for $435,900.

**Mr. Bourget:** They are all set out on page 30, Hamilton, Moosonee, Oshawa, Port Stanley, Sombra.

**Mrs. Fairclough:** Has any part of this amount which is listed for Hamilton to do with the Burlington bridge canal?

**Mr. Bourget:** No.

**Mr. White (Middlesex East):** Can the parliamentary assistant give details of the Port Stanley, Ontario, estimate.

**Mr. Bourget:** This amount is to provide for repairs to a section of the west pier which is considered too dangerous to be used by the public.

**Mr. Michener:** The wharf at Moosonee to cost $75,000 is supposed to serve the hospital on the island? Has the parliamentary assistant information here as to where that wharf is to be built, whether on the mainland or on the island. If on the island, on which side of the island is it supposed to be?

**Mr. Bourget:** I am told it is to be built on the mainland and it is not only for the hospital but also for the use of the trading companies and settlers.

**Mr. Michener:** It is on the mainland?

**Mr. Bourget:** It is on the mainland.

**Mr. Michener:** And the whole $75,000 is to be spent on the mainland at Moosonee?

**Mr. Bourget:** Yes, it is for the wharf.

Item agreed to.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

*56.* Departmental administration, $340,230.

**The Chairman:** Hon. members will find the vote on page 9 of the blue book and the details on page 128.

**Mr. Fulton:** I presume that the minister—

**Mr. Knowles:** Is the minister going to make a statement?

**Mr. Fulton:** I presume the minister will follow the usual practice, which he himself has pointed out is the practice, of making a statement on the first item on the operations of his department.

**Hon. W. E. Harris (Minister of Citizenship and Immigration):** As the hon. member says, it has been my custom to place before the committee on the first item some of the details of the department during the past year, especially when we have unfortunately not had an opportunity to discuss the department this session except briefly on the citizenship amendment. It has been my custom to mention in some general way the extent and the nature of immigration during the past calendar year, and to table with the consent of the committee the return for that year. I would ask therefore, Mr. Chairman, that I be permitted to table a comparison of the immigration for 1952 and 1953.

**The Chairman:** Do I understand the minister wishes this table placed on *Hansard*?

**Some hon. Members:** Agreed.

**Mr. Harris:** The table follows:

Immigration to Canada, by racial origin from overseas and total from the United States

Origine ethnique des immigrants arrivés au Canada d'outre-mer et immigration totale des États-Unis

| — | Calendar year 1952 — Année civile 1952 | Calendar year 1953 — Année civile 1953 | Percentages of increase or decrease — Pourcentage de l'augmentation ou de la diminution |
|---|---|---|---|
| English—Anglais | 26,448 | 28,325 | |
| Irish—Irlandais | 4,696 | 7,562 | |
| Scottish—Écossais | 10,697 | 10,344 | |
| Welsh—Gallois | 834 | 846 | |
| Totals—Totaux | 42,675 | 47,077 | +10 |
| United States—États-Unis | 9,306 | 9,379 | + 1 |
| North European—Nord de l'Europe— | | | |
| Austrian—Autrichiens | ..... | 3,574 | |
| Belgian—Belges | 1,349 | 1,431 | |
| Danish—Danois | 2,056 | 1,562 | |
| Dutch—Hollandais | 21,213 | 20,472 | |
| Finnish—Finlandais | 2,293 | 1,232 | |
| French—Français | 4,212 | 3,136 | |
| *German—Allemands | 28,257 | 35,015 | |
| Icelandic—Islandais | 35 | 53 | |
| Norwegian—Norvégiens | 1,209 | 939 | |
| Swedish—Suédois | 503 | 435 | |
| Swiss—Suisses | 1,274 | 826 | |
| Totals—Totaux | 62,401 | 68,675 | +10 |
| Others—Autres— | | | |
| Albanian—Albanais | 16 | 14 | |
| Arabian—Arabes | 69 | 17 | |
| Armenian—Arméniens | 71 | 70 | |
| Bulgarian—Bulgares | 109 | 54 | |
| Chinese—Chinois | 2,313 | 1,929 | |
| Czechoslovakian—Tchèques | 949 | 543 | |
| East Indian—Hindous | 168 | 139 | |
| Estonian—Estoniens | 934 | 451 | |
| Greek—Grecs | 1,691 | 2,059 | |
| Hebrew—Hébreux | 5,177 | 3,583 | |
| Iranian—Iraniens | 10 | 18 | |
| Italian—Italiens | 21,383 | 24,293 | |
| Japanese—Japonais | 6 | 46 | |
| Jugoslavian—Yougoslaves | 2,176 | 1,999 | |
| Lettish—Lettons | 1,437 | 550 | |
| Lithuanian—Lituaniens | 762 | 278 | |
| Magyar—Magyars | 1,435 | 858 | |
| Maltese—Maltais | 692 | 745 | |
| Mexican—Mexicains | 6 | 6 | |
| Negro—Nègres | 105 | 167 | |
| Polish—Polonais | 5,485 | 3,176 | |
| Portuguese—Portugais | 256 | 555 | |
| Roumanian—Roumains | 388 | 269 | |
| Russian—Russes | 1,072 | 485 | |
| Spanish—Espagnols | 312 | 257 | |
| Syrian—Syriens | 209 | 190 | |
| Turkish—Turcs | 18 | 35 | |
| Ukrainian—Ukrainiens | 2,821 | 908 | |
| Others—Autres | 46 | 43 | |
| Totals—Totaux | 50,116 | 43,737 | −13 |
| Grand totals—Totaux généraux | 164,498 | 168,868 | + 3 |

* Includes an estimated 2,682 Austrians during 1952.—Y compris 2,682 Autrichiens en 1952.

[The Chairman.]

Immigration to Canada showing sex, occupation and destination
Calendar year 1953

Sexe, occupation et destination des immigrants arrivés au Canada
Année civile 1953

| | |
|---|---|
| Sex—Sexe— | |
| Adult males—Hommes (adultes) | 68,269 |
| Adult females—Femmes (adultes) | 56,425 |
| Children under 18—Enfants de moins de 18 ans | 44,174 |
| Total | 168,868 |
| Occupation— | |
| *Gainfully occupied—Avec travail rémunéré—* | |
| *Managerial—*Administration | 1,176 |
| Professional—Professions | 8,845 |
| Clerical—Bureaux | 6,339 |
| Transportation—Transports | 1,557 |
| †Communication—†Communications | 298 |
| Commercial—Commerce | 3,044 |
| †Financial—†Finance | 141 |
| Service—Service | 13,766 |
| Agricultural—Agriculture | 17,250 |
| Fishing, trapping and logging—Pêche, chasse et abattage | 415 |
| Mining—Mines | 464 |
| Manufacturing, mechanical and construction—Fabrication, mécanique et construction | 26,492 |
| Labourers—Manœuvres | 10,380 |
| Others—Autres | 966 |
| Total | 91,133 |
| *Not gainfully occupied—Sans travail rémunéré—* | |
| Dependent wives—Épouses à charge | 31,343 |
| Dependent children—Enfants à charge | 41,253 |
| Others—Autres | 5,139 |
| Total | 77,735 |
| Destination— | |
| Newfoundland—Terre-Neuve | 502 |
| Nova Scotia—Nouvelle-Écosse | 2,206 |
| New Brunswick—Nouveau-Brunswick | 1,080 |
| Prince Edward Island—Île du P.-Édouard | 261 |
| Quebec—Québec | 34,294 |
| Ontario—Ontario | 90,120 |
| Manitoba—Manitoba | 8,191 |
| Saskatchewan—Saskatchewan | 3,790 |
| Alberta—Alberta | 15,227 |
| British Columbia—Colombie-Britannique | 13,118 |
| Yukon and Northwest Territories—Yukon et Territoires du Nord-Ouest | 79 |

* Included with professional for first three months.—Inclus dans "professions" pour les trois premiers mois.

† Included with other groups for first three months.—Inclus dans d'autres groupes pour les trois premiers mois.

By way of explanation, Mr. Chairman, during the last year, it may be recalled I suggested on the estimates that we would continue the policy during that year approximately as it had been in the preceding year, and I hazarded the forecast in the month of May as to the number who might be admitted during the year. As it turned out, the number who came in was 168,868, which was about 4,370 more than the preceding year. Their origins conformed pretty generally to the pattern of 1952, although the British element in the immigration increased in 1953.

In round figures the result was this. We have 47,000 British; 9,300 Americans; 68,000 north Europeans and 43,000 of others. That, by the way, Mr. Chairman, completes a period of time from January 1, 1946. If the committee is interested, during that period of time we received 292,962 British; 265,510 other north Europeans; 70,250 Americans and 329,424 all others.

During the fall of last year we considered what the policy for 1954 should be, and after taking into account all the factors then available we decided that this year we

should maintain immigration at about the level of last year, bearing in mind that we make a semi-annual survey of the absorptive capacity of this country and that we would look at the policy again this spring.

As hon. members know there have been some protests against immigration in some circles during the past few months, but these protests I am glad to say were of a strictly limited nature, simply placing before the government some of the difficulties which could be encountered if an unlimited selection of immigrants were made, and if there were not a close watch kept on the numbers admitted from time to time. I think I can safely say that with perhaps one exception I have not had any reference to a complete stopping of immigration in any correspondence I have had so far this year. Therefore, we enter this spring with a feeling that conditions in Canada would permit the admission of the same number of people as last year and we have had no particular reason for altering that opinion at the present time.

Nevertheless we have taken the view that it is desirable to keep a closer check from month to month on the admission of persons from abroad, and in particular to advise people who seek admission to Canada of the employment opportunities available here. There are two persons involved in immigration. There is the Canadian and the would-be immigrant. We owe a duty to the former as well as the latter, and the would-be immigrant should be told the situation as it is in Canada. It would not be fair to him to encourage his desire to come here if in fact we were not able to offer him the immediate employment he has to have and the security he wants to obtain at the earliest possible moment. Therefore, we have taken the precaution of advising people, especially in the skilled trades, as to the immediate opportunities in Canada rather than about the long-term opportunities, and we also advise them about housing conditions and the like.

With this in mind we have recently reviewed the situation again and have altered some of the classes of persons and occupations which may be admitted, and have advised our officers abroad accordingly, with the result that the expectation is that the numbers coming forward this year may be slightly lower than last year because of a more detailed attempt to suggest that in certain occupations there may be limited employment during the latter part of this year, and because we intend to do this year what he have done in the past two years, namely, restrict immigrants in the fall months having in mind the difficulties which overtake persons when they do not obtain employment they can hold throughout the winter. We have followed this policy during the past two years, I believe, to the satisfaction of everyone who has anything to do with immigrants. We propose to move the date from the end of October to the end of September, which is the date on which persons may arrive in Canada for open placement at our settlement offices. The result will probably be that while there will not be a substantially lower number coming in, there will be some reduction in the number from the 168,000 admitted last year.

Now I turn for a moment to the Indian affairs branch in order to report briefly on it. I shall be glad, Mr. Chairman, to give any detail in answer to questions which will probably be asked about education, welfare, and other matters, but I think it would be appropriate for me to point out that last fall, as hon. members will probably recall, we had another of those very valuable conferences with representative Indians, and following the previous practice I would ask leave to table a report of that conference as I have done on former occasions and have it printed as an appendix to *Hansard*.

**The Chairman:** Is that agreed?

**Some hon. Members:** Agreed.*

**Mr. Harris:** To mention just a few figures about Indian affairs. Last year we built 972 new houses for the accommodation of Indians on reserves in accordance with our policy of continuing to build suitable housing every year. We have had a noteworthy increase in the attendance of Indian children at the schools, and the number as of March 31 was 31,555. This is an increase of 2,756 or nearly 10 per cent over last year, and the number of Indians now attending non-Indian schools stands at 3,381, an increase of 531 over the figure reported a year ago.

**Mr. Coldwell:** I wonder if the minister could give a breakdown of the school children in their respective grades so that we may learn how many are at high school, and so on. The minister might give that breakdown later on.

**Mr. Harris:** Certainly. I could not leave the subject of education, Mr. Chairman, without mentioning a recent agreement we reached with the corporation of the city of Sarnia which, I hope, will serve as an example on other occasions. As hon. members are aware, the reserve is in and about Sarnia and the population is closely mixed and allied with the people of that community. We found that the school we had there was somewhat old and required repairs and we



**See appendix at pages 6784-86.*

negotiated an agreement with the corporation, the effect of which will be that we will pay for the construction of three classrooms as part of another school being built by the board of education of that city. We will pay a per capita annual grant to the board of education so that from now on there will be no separate Indian school in and about Sarnia and the Indian children will be free to attend not only that particular school but any of the schools in that city. I suggest that is an ideal situation and I think the plan can be worked out successfully. There may be some difficulties to overcome but I hope that will be the end of our functions with respect to education on that reserve.

I should also mention, Mr. Chairman, a very useful committee which was formed in the Ontario legislature and which visited Indians in this province throughout the past 12 months. The province was naturally concerned with the condition of those early settlers in Ontario and wished to learn for their own purposes about the economic conditions, educational standards, health standards and the like. The present government asked the legislature to appoint a committee and that was done. They toured the province in a manner which I have not found possible yet since I took over this office. I believe they visited every reserve and interviewed large numbers of chiefs and principal men. They have reported on those aspects of Indian life, not only within their own competence but within the competence of this government and, I might say, at our request and at their own desire.

We supplied them with our own good offices in every place and made whatever arrangements we could to be of assistance to them. I am grateful to them for the commendation they gave this department and its officials in their report for their attendance upon them and the good work which is being done in many reserves. The report suggests, without in any way transgressing on the separate fields of provincial and dominion activity, that it would be useful if we would meet with them to consider the welfare of our Indian people since, after all, it is agreed they are part of our community and every effort should be made by every level of government to assist in that work. While I have not been able to follow up that suggestion as yet, I propose to approach the provincial government having in mind the suggestion in their report and to have the officials of this department confer with them on the questions they have raised.

The citizenship branch has little to do except the registration of naturalization and the maintaining of records. But as I have indicated on other occasions in the house, their work is increasing and will increase noticeably during the next two or three years. The first substantial numbers of those who came to our shores since the war came in 1947, so that a considerable number of them are now here more than the required five years and are, according to the statistics, beginning to apply for citizenship. A few figures, I think, to show that would indicate what I mean. In 1952-53 there were about 15,000 declarations of intention filed while last year the figure had increased to 25,400. We anticipate that that increase in applications will continue for at least another year or two until it levels off.

With respect to the other branches of government for which I have some responsibility, namely, the national gallery and the national film board, I do not propose to say anything at this point because we had some debate about the national gallery on the supplementary estimates and we had a lengthy debate on the national film board in February. I would hope that we could dispose of these particular branches by questions and answers when we come to them. Of course that applies to all the other branches which I have already mentioned.

**Mr. Fulton:** Mr. Chairman, I am sure the committee appreciates the minister's review of the work of his department. Since we have had a fairly good day today I hope the committee might feel that it was time to adjourn now so that tomorrow we could give to that department our undivided attention and that attention which it deserves.

**Some hon. Members:** No.

**Mr. Coldwell:** Ten o'clock, Mr. Chairman.

**The Chairman:** Do I understand that there is not unanimous consent to proceed? Shall I rise, report the resolutions and request leave to sit again?

Resolutions reported, read the second time and concurred in.

## BUSINESS OF THE HOUSE

**Mr. Knowles:** What is the business for tomorrow?

**Mr. Harris:** For tomorrow I gather from the hon. member for Kamloops that we shall give to the Department of Citizenship and Immigration that careful attention that it deserves and that when that business is completed we shall take the appropriation bills and any other matters that might arise

incidentally. I would appreciate it if some time we could be given some indication about the probable closing hour.

**Mr. Speaker:** As it is 11.30, this house stands adjourned—

**Mr. Knowles:** Ten thirty.

**Mr. Speaker:** As it is 10.30, this house stands adjourned until tomorrow at eleven o'clock in the forenoon.

**Mr. Drew:** Ten o'clock?

**Mr. Harris:** Did you say something? Did you say ten o'clock?

**Mr. Speaker:** Order.

**Mr. Harris:** Mr. Speaker, I regret—

**Mr. Knowles:** Bring the mace back.

**Mr. Harris:** I heard someone saying "ten o'clock", Mr. Speaker, and my first thought was that they were referring to ten o'clock tonight. But if that was an effort to ask the house leader that we should meet at ten o'clock tomorrow morning instead of eleven, I would ask the house to consider that suggestion. I personally would recommend it. If other hon. members would like to have it that way, I am sure we could use that hour to some advantage.

**Some hon. Members:** Agreed.

**Mr. Fulton:** I think actually the situation was that His Honour had inadvertently said "as it is 11.30" when it is actually 10.30, and that is the way "ten o'clock" was used. I wonder whether perhaps a compromise could be suggested about ten o'clock tomorrow. One can do only so much. I am anxious that we should be in a position to discuss intelligently and vigorously the minister's department.

**Mr. Coldwell:** The only objection I have to the suggestion, I may say—and I am willing to come at ten o'clock tomorrow morning—is that some members have already gone home. They may not know that the house is meeting at ten o'clock or 10.30 tomorrow morning. I do not think it is fair to the members who left at ten o'clock, which is our time of adjournment, that we should meet earlier and they should not know that we are meeting. Some of them may have a question that they would like to ask on the last morning on the orders of the day. I do not know of any such questions and I do not know of any such persons. But, out of courtesy to the members who have left, I think the small number in the house tonight should not decide to meet early and thus deprive them of any right they may have tomorrow. That is my only objection to the suggestion.



**Mr. Harris:** Mr. Speaker, I think the leader of the C.C.F. party probably is on good grounds, generally speaking. But we have a rule around here that says that hon. members should stay and do the business of the house. While I am sure we would not want anyone to feel that having waited until tomorrow to ask a question, he did not have an opportunity to ask it. I would think that everyone would realize that there are enough members of all parties present to take care of any matters that might arise. I would suggest that we adopt the suggestion as to 10.30 and count on the hon. member for Kamloops to keep us going until all members arrive at eleven o'clock.

**Mr. Coldwell:** I have expressed my view. I am not going to press it.

**Mr. Macdonnell:** Might it not be possible, by consent, to have orders of the day called at eleven o'clock or a little bit later, when all danger will have entirely disappeared?

**Mr. Drew:** I do not want to add much to what has been said. I quite appreciate what has been said by the leader of the C.C.F. party. I think perhaps if we sat at ten o'clock there might be sufficient room for that opportunity to be denied. If we sit at 10.30 I think it is likely that the orders of the day might still be before us when those who did not otherwise know we were meeting earlier would have arrived. I think it would expedite the work of the house if we meet that extra half hour earlier.

**Mr. Coldwell:** I said that I was not pressing my view.

**Mr. Knowles:** We are taking up nearly half an hour now.

**Mr. Speaker:** As it is 10.30, this house stands adjourned until tomorrow at 10.30 in the forenoon.

On motion of Mr. Harris the house adjourned at 10.30 p.m. until tomorrow at 10.30 a.m.

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

Administration services—

210. Departmental administration, $470,422.

Explosives Act—

211. Explosives Act—administration, operation and maintenance, $97,988.

Mines branch—

212. Mines branch administration, $81,158.

Mineral resources investigations—

213. Administration, operation and maintenance, $2,322,462.

214. Construction or acquisition of new equipment, $203,000.

Investigations of radioactive ores—

215. Administration, operation and maintenance, $308,720.

216. Construction or acquisition of new equipment, $41,000.

217. To provide for payments to McGill University in connection with the development of a coal-fired gas turbine, $100,000.

Geological survey of Canada—

Geological surveys—

218. Administration, operation and maintenance, including the expenses of the national advisory committee on research in the geological sciences, an amount of $1,500 for Canada's share of the cost of the committee on mineral resources and geology, London, England, and an amount of $25,000 for grants in aid of geological research in Canadian universities, $2,235,425.

219. Construction or acquisition of new equipment, $104,000.

Surveys and mapping branch—

220. Surveys and mapping branch administration, $53,012.

Topographical surveys, including expenses of the Canadian board on geographical names—

221. Administration, operation and maintenance, $1,580,845.

222. Construction or acquisition of new equipment, $94,000.

Canadian hydrographic service—

223. Administration, operation and maintenance, including Canada's annual contribution of $5,300 to the international hydrographic bureau, $2,617,873.

224. Construction or acquisition of new equipment, $1,612,945.

Geodetic survey of Canada—

225. Administration, operation and maintenance, $527,613.

226. Construction or acquisition of new equipment, $17,400.

227. International boundary commission, $69,481.

228. Legal surveys and aeronautical charts, including a grant of $350 to the Canadian institute of surveying and photogrammetry and the expenses of the board of examiners for dominion land surveyors as provided by the Canada Land Surveys Act, $686,033.

Map compilation and reproduction—

229. Administration, operation and maintenance, $834,889.

230. Construction or acquisition of new equipment, $71,300.

Geographical branch—

231. Geographical branch—administration, operation and maintenance, including a grant of $250 to the Canadian association of geographers, $283,385.

Dominion observatories—

Dominion observatory, Ottawa and field stations—

232. Administration, operation and maintenance, including membership fee of $500 to the international astronomical union, $471,621.

233. Construction or acquisition of buildings, works, land and new equipment, $89,800.

234. Dominion astrophysical observatory, Victoria, B.C., $120.353.

General—

235. Payments to Royal Canadian Air Force and commercial companies for air photography, and to defray the expenses of and the purchase of equipment by the interdepartmental committee on air surveys, $1,100,000.

236. Provincial and territorial boundary surveys, $91,000.

Total, department, $32,097,725.

B—Dominion coal board—

237. Administration and investigations of the dominion coal board, $114,380.

238. Payments in connection with the movements of coal under conditions prescribed by the governor in council, $9,850,634.

A—Department—

Geological survey of Canada—

Geological surveys—

677. Administration, operation and maintenance—to provide for an amount of $2,000 for Canada's share of the cost of the committee on mineral resources and geology, London, England, to be charged to funds appropriated under vote 218 of the main estimates, 1954-55, in lieu of the amount of $1,500 provided by that vote, $1.

678. Construction or acquisition of new equipment—further amount required, $13,500.

Surveys and mapping branch—

Topographical surveys—

679. Construction or acquisition of new equipment—further amount required, $75,000.

Map compilation and reproduction—

680. Administration, operation and maintenance—further amount required, $31,800.

Geographical branch—

681. Geographical branch—administration, operation and maintenance—further amount required, $7,000.

Dominion observatories—

Dominion observatory, Ottawa and field stations—

682. Construction or acquisition of buildings, works, land and new equipment—further amount required, $15,000.

DEPARTMENT OF AGRICULTURE

Marketing service—

30. Marketing service administration, $287,343.

31. Agricultural economics, $630,153.

44. Prairie Farm Rehabilitation Act and water storage, $3,899,245.

45. Major irrigation and reclamation projects in the prairie provinces, $7,077,747.

46. Prairie Farm Assistance Act administration, $361,500.

47. Land protection, reclamation and development in British Columbia under such terms and conditions as may be approved by the governor in council, $143,000.

48. Land protection and reclamation: clearing and settlement of new lands under such terms and conditions as may be approved by the governor in council, $795,000.

49. Maritime Marshland Rehabilitation Act, $2,097,180.

50. Assiniboine river—dyking and cut-off, $100,000.

51. To provide for administrative expenses, Agricultural Prices Support Act, 1944, $104,615.

Loans, investments and advances—

533. To authorize and provide for the operation of a revolving fund in accordance with the provisions of section 58 of the Financial Administration Act for the purpose of financing the purchase of stores for use in the construction, maintenance and operation of projects under the direction of the maritime marshland rehabilitation administration; the amount to be charged to the revolving fund at any time not to exceed $150,000.

Science service—

Science service administration—

635. Construction or acquisition of buildings, works, land and new equipment—further amount required, $224,400.

Entomology—

636. Construction or acquisition of buildings, works, land and new equipment—further amount required, $10,700.

Forest biology—

637. Construction or acquisition of buildings, works, land and new equipment—further amount required, $13,000.

Production service—

Animal pathology—

638. Operation and maintenance—further amount required, $26,700.

639. Construction or acquisition of buildings, works, land and new equipment—further amount required, $84,716.

Health of animals—

640. To provide for payment of compensation to owners of animals or poultry affected with diseases coming under the Animal Contagious Diseases Act, which have died or have been slaughtered in circumstances not covered by the above act and regulations made thereunder, and to provide for payment to owners for loss of turkeys while in quarantine, all as detailed in the estimates, $19,684.

641. Live stock and poultry—further amount required, $115,400.

Marketing service—

642. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $603,678.

Special—

643. To provide for assistance to encourage the improvement of cheese and cheese factories—further amount required, $150,000.

644. To provide, subject to the approval of the governor in council, for assistance to farmers in Manitoba and Saskatchewan for crop losses that occurred between the 1st day of August, 1950, and the 14th day of May, 1953, in respect of which there is no authority under the Prairie Farm Assistance Act to make awards, $17,000.

645. To provide, in accordance with such order as the governor in council may make in the circumstances, for the purchase of an annuity under the Government Annuities Act for and on behalf of Mr. M. S. J. McMurachy, discoverer of the parent strain from which Selkirk wheat was developed, and his wife, Mrs. M. J. B. McMurachy, or in the event that one spouse predecease the other before the annuity contract is entered into, to provide for the purchase of an annuity for and on behalf of the surviving spouse, $10,000.

646. To provide for a contribution to the world championship plowing organization to help defray the cost of the world matches held in Canada in 1953, $2,500.

DEPARTMENT OF FISHERIES

Field services—

Inspection branch—

137. Operation and maintenance, $1,031,000.

138. Construction or acquisition of buildings, works, land and new equipment, $15,400.

Fish culture and development branch—

139. Operation and maintenance, $733,515.

140. Construction or acquisition of buildings, works, land and new equipment, $223,800.

141. Consumer branch, $75,600.

142. Fishermen's indemnity and loan plan—administrative expenses, $209,565.

143. To provide for the destruction of harbour and gray seals, $40,000.

Fisheries Research Board of Canada—

144. Headquarters administration, $131,090.

145. Operation and maintenance, $1,995,939.

146. Construction or acquisition of buildings, works, land and new equipment, $220,020.

147. To provide for federal share of administrative expenses of the great lakes fisheries research committee established jointly with the province of Ontario; and to provide for a program designed to eliminate lampreys in the great lakes, $165,000.

International commissions—

148. To provide for Canadian share of expenses of the international fisheries commission appointed under treaty dated March 2, 1953, between Canada and the United States for the preservation of the north Pacific halibut fisheries, $77,900.

149. To provide for Canadian share of expenses of the international Pacific salmon fisheries commission appointed under treaty dated May 26, 1930, between Canada and the United States for the protection, preservation and extension of the sockeye salmon fisheries of the Fraser river system, $155,000.

150. To provide for Canadian share of expenses of the international whaling commission, appointed pursuant to the international convention for the regulation of whaling, dated at Washington, December 2, 1946, $2,500.

151. To provide for Canadian share of expenses of the international commission for the northwest Atlantic fisheries appointed pursuant to international conventions for the investigation, protection and conservation of the fisheries of the northwest Atlantic ocean, dated at Washington, February 8, 1949, $12,500.

152. To provide for Canadian share of expenses of the international north Pacific fisheries commission appointed pursuant to the international convention for the high seas fisheries of the north Pacific ocean, dated May 9, 1952, $15,000.

Special—

153. To provide for operation and maintenance of Newfoundland bait service, $293,890.

154. To provide for the extension of educational work in co-operative producing and selling among fishermen, $80,000.

155. To provide for administration expenses of the Fisheries Prices Support Act, 1944, $85,875.

156. To provide for assistance in the construction of vessels of the dragger and/or long liner type, subject to such terms and conditions as may be approved by the governor in council, $200,000.

157. To provide for assistance in the construction of bait freezing and storage facilities, subject to the regulations established by the governor in council, $30,000.

Loans, investments and advances—

536. To authorize and provide for the establishment of one or more special accounts in the consolidated revenue fund, replacing those established by vote 766, Appropriation Act No. 3, 1953, for the purposes of a plan to be known as the fishermen's indemnity and loan plan, to be administered in accordance with regulations of the governor in council, for the purpose of assisting fishermen to meet abnormal capital losses; and to authorize payment from the accounts in the current and subsequent fiscal years, in accordance with the regulations, of indemnities and loans, the accounts to be credited with all amounts received by way of premiums, recoveries and repayments, and with advances to the said accounts in accordance with the regulations, such advances not at any time to exceed $100,000.

Field services—

Protection branch—

657. Construction or acquisition of buildings, works, land and new equipment—further amount required, $75,000.

Inspection branch—

658. Construction or acquisition of buildings, works, land and new equipment—further amount required, $2,000.

Fisheries Research Board of Canada—

659. Construction or acquisition of buildings, works, land and new equipment—further amount required, $15,000.

International commissions—

660. To provide for Canadian share of expenses of the international north Pacific fisheries commission appointed pursuant to the international convention for the high seas fisheries of the north Pacific ocean, dated May 9, 1952—further amount required, $7,500.

Special—

661. To provide for operation and maintenance of Newfoundland bait service—further amount required, $35,000.

662. To provide for a contribution towards the cost of construction of a public aquarium at Vancouver, British Columbia, in accordance with an agreement to be entered into by the Minister of Fisheries with the approval of the governor in council whereby adequate facilities are to be made available to the fisheries research board, the total cost to be borne in equal shares by the government of Canada, the government of British Columbia and the city of Vancouver, the contribution of the government of Canada not to exceed, $100,000.

663. Amount required to recoup the accounts of the fishermen's indemnity and loan plan, established by vote 536, main estimates, 1954-55, for the cost of administrative expenses incurred during the fiscal year 1953-54, $95,640.

DEPARTMENT OF PUBLIC WORKS

Architectural branch—

Acquisition, construction and improvements of public buildings—

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—further amounts required—

704. Newfoundland, $200,000.

705. New Brunswick, $60,000.

706. Quebec, $1.

707. Ottawa, $2,050,000.

708. Ontario (other than Ottawa), $690,000.

709. Saskatchewan, $1.

710. British Columbia, $1.

Engineering branch—

Graving docks—

711. Prince Rupert dry dock and shipyard and appurtenant works—to provide for operating losses and essential repairs for the period January 1 to March 31, 1954, $39,000.

Roads and bridges—

712. Maintenance and operation—further amount required, $59,000.

Acquisition, construction and improvements of harbour and river works—

Construction, acquisition, major repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects—further amounts required—

713. Newfoundland, $1.

714. Nova Scotia, $700,000.

715. Prince Edward Island, $250,000.

716. New Brunswick, $45,000.

717. Quebec, $243,100.

718. Ontario, $435,900.

719. British Columbia and Yukon, $326,000.

General—

720. To provide for balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1954-55—further amount required, $200,000.

721. To provide for the expenses incurred by Central Mortgage and Housing Corporation in constructing and supervising construction of married quarters, schools and related services on behalf of the Department of National Defence—further amount required, including authority for such expenses incurred in connection with rental housing for the Department of National Defence, $750,000.

722. To provide for the restoration of the special account in the consolidated revenue fund established by section 36 of the National Housing Act, 1954, by the amount paid out of the special account during the fiscal year 1953-54, in respect of preliminary expenses incurred under enabling agreements with provincial governments, $585.

Loans, investments and advances—

Central Mortgage and Housing Corporation—

761. To provide for the restoration of the special account in the consolidated revenue fund established by section 36 of the National Housing Act, 1954, by the amount paid out of the special account in respect of housing and land development projects undertaken jointly with the governments of the provinces during the fiscal year 1953-54, $9,000,000.

762. To provide for advances to Central Mortgage and Housing Corporation for the purposes of subsection one of section 37 of the National Housing Act, 1954, in respect of housing projects for veterans, for the acquisition of land for housing projects, and for housing projects at Gander, Newfoundland, for sale or rental—further amount required, including authority for housing at Pembroke, Ontario, for the rental or sale to employees of Atomic Energy of Canada Limited, $1,110,000.

## APPENDIX

Summary of the proceedings of a conference with representative Indians held in Ottawa October 26-28, 1953.

(1) On February 28, March 1, 2 and 3, 1951, a conference was held with representative Indians and officers of Indian associations from all those regions of Canada where there is an Indian population except the Northwest Territories. The purpose of that conference was to discuss the provisions of Bill 79 to revise the Indian Act, and a summary of the proceedings of that conference appears as appendix B, House of Commons debates, March 16, 1951.

(2) On October 26, 27 and 28, 1953, a second conference was held in Ottawa with representative Indians and officers of Indian associations, whose names are set out in schedule "A" hereto. In addition to the representatives, the minister, deputy minister and headquarters officials of the Indian affairs branch, the conference was attended by the Indian commissioner for British Columbia and all regional supervisors from the provinces.

(3) As in 1951, the purpose of this second conference was to discuss the provisions of the Indian Act and as well to suggest amendments to it in the light of experience gained since it came into force September 4, 1951. Much of the discussion was devoted to the administration of the act rather than specific amendments to it. Officials of the Indian affairs branch reported on particular sections of the act which they administer. Following this all sections of the act were considered.

(4) Upon the conclusion of this phase of the work of the conference there was a general discussion on matters pertaining to the health of the Indian people with officials of the Department of National Health and Welfare.

(5) It was again evident from the discussion that the problems of Indian communities varied from reserve to reserve and region to region and these differences accounted for the variety of viewpoints expressed towards particular sections of the act. It was the unanimous view of those present, however, that the present act had been beneficial to all Indians.

(6) As in 1951, all of the representatives were opposed to section 86, which deals with taxation, and also section 112, which provides for the enfranchisement of bands or individual members thereof after committees of inquiry.

(7) With respect to section 86, all of the representatives favoured the exemption contained in subsection (1), but thought that it did not go far enough. It was again asserted that under article 13 of the terms of union between Canada and the province of British Columbia the Indians of British Columbia were not liable to taxation. Representations were made that the Indians in British Columbia living on reserves on the coast and conducting fishing as their only occupation are denied the benefit of tax exemption although Indians in the interior of the province and elsewhere engaged in grazing cattle on reserves enjoy that exemption. A strong argument was made that the tax exemption should be extended to Indian fishermen whether the owner of a ship or engaged in a joint venture. With respect to subsection (2), which relates to a waiver of exemption from taxation under the Canada Elections Act, it was suggested that consideration be given to allowing the Indians to vote without the necessity of executing a waiver. Two representatives, however, were opposed to forcing the right to vote on the Indians.

(8) With respect to section 9, which provides for the protest of the inclusion, omission, addition or deletion of persons on band lists, three different opinions were expressed. Three representatives said that all persons who were registered on band lists at the time the act came into force should continue to be members and favoured the elimination of this section from the act, and the dropping of all protests. Eleven representatives, however, favoured the section but were of opinion that the time limit for protesting the inclusion of persons on a list should be extended beyond the six-month period provided in this section to give a further opportunity for lodging protests. One representative was in favour of section 9 as it now stands.

(9) As in 1951 the same three views were again expressed with regard to sections 93-96

dealing with the sale and possession of intoxicants: (1) complete prohibition; (2) retention of the sections in the present act; (3) that provincial liquor laws be made applicable to Indians. Eleven representatives were of opinion that the liquor provisions in the Indian Act should be deleted and that the Indians should become subject to the provincial laws with respect to the sale and possession of intoxicants. Six representatives were in favour of retaining the present sections of the act. Two of these, however, were opposed to any extension of liquor privileges to Indians as provided by section 95 without the Indians being consulted first.

(10) It was generally felt that the principle of registering illegitimate children set out in section 11 (e) ought to be retained. It was suggested, however, by two representatives, that illegitimate children in certain circumstances should not be allowed to benefit from the funds of the band.

(11) Although unanimously accepted in principle in 1951, payment of a per capita share of the capital and revenue moneys of a band to persons who become voluntarily enfranchised as provided by section 15 (a) was now objected to by one representative. It was asserted that a woman member of a band could apply for enfranchisement and receive her per capita share and subsequently remarry into the band and be again enfranchised with her husband and obtain still another per capita share. It was stated that the funds of the band should remain intact for the benefit of future generations. The opposite view was taken by other representatives who were of opinion that a member of a band had an inalienable interest in the property of the band and should be entitled to take his per capita share of the moneys when leaving the band. One representative suggested that an Indian woman who marries a non-Indian should have an option of taking a per capita share of the moneys of the band or continue to share in the distribution of annuities, interest moneys and rents as provided in the former act.

(12) Section 19, which deals with surveys and subdivisions, was opposed by the same representatives as in 1951. They contended that there are certain areas in Alberta and Saskatchewan where the subdivision of reserves is not suitable nor acceptable, and for that reason surveys and subdivisions should only be carried out with the consent of the council of the band or of the band. It was the general feeling of the other representatives that surveys were beneficial and necessary and that this work should be carried out expeditiously.



(13) With respect to section 20 there was now no feeling that temporary possession of land led to insecurity as was the case in 1951. On the contrary, it was the feeling of several representatives that the period of temporary possession should be extended from two to five years, and possibly ten years, to find out if the Indian is capable of making proper use of the land. Seven representatives were of opinion that the present two-year period is satisfactory, while six representatives thought that the land should be granted on a temporary basis of five years or more instead of the present two years. It was also suggested by one representative that there should be some provision in the act which would permit cancellation of a certificate of possession in cases where the Indian to whom the land is allotted does not make proper use of it.

(14) It was recommended by one representative that the provisions of section 39 should be changed to permit a surrender to be assented to by referendum with polls established at convenient places on the reserve.

(15) With respect to section 60, which provides that at the request of a band the governor in council may grant to the band the right to exercise control and management over lands in the reserve as may be deemed advisable, it was suggested by one representative that this provision be amended to provide that the request be made by the council of the band rather than the band. It was mentioned that in the case of a large band it was extremely difficult to get a majority of the voters together to hold a vote to request application of this provision. It was pointed out that at the conference in 1951 when this provision was discussed, it was the general feeling of the representatives that the request should be made by the band, and this view was held this year by all the other representatives.

(16) With regard to the voting age of band members in band elections set out in section 76, it was the opinion of seven representatives that the age should be the same as that which applies in provincial elections. However, seven other representatives were of opinion that the age should remain at twenty-one as provided in the act.

(17) Similarly there was a difference of opinion regarding the term of office of chiefs and councillors. It was again felt by a number of representatives that the two-year term of office provided in section 77 was not sufficiently long to enable members of band councils to gain sufficient experience for the

most effective management of band affairs. A term of office of three, four and five years was suggested. On the other hand, some representatives felt that the term of office of band councils should be similar to that in effect in municipalities and the two-year term should be retained.

(18) Section 88 was discussed at some length but there was no opinion in favour of a change and I was asked, and gave the assurance, that there was no present intention to alter it.

(19) It was suggested by one representative that a peace officer should have a warrant rather than the authority now provided in section 101.

(20) With respect to section 108, which provides for the voluntary enfranchisement of Indians, one representative objected to the minor unmarried children being enfranchised with their parents. It was considered by this representative that such children should be given the option at age twenty-one of being enfranchised or retaining membership in the band. It was also suggested by this representative that an Indian woman who marries a non-Indian and is subsequently deserted or widowed should be able to return to band membership with the consent of the band council or the band, and that minor unmarried children of an Indian woman who marries a non-Indian should not be automatically enfranchised. Another representative objected to the automatic enfranchisement of an Indian woman who marries a non-Indian because such woman would be deprived of any right to an interest in subsequent sales of land which was given the members of the Indian band and their posterity forever.

(21) Section 110(2), (3) and (4), which provides for the grant of land to enfranchised Indians was unanimously approved by the representatives in 1951, but was objected to this year by one representative who considered that these provisions should be deleted from the act. This objection was not based on experience as there have been no decisions made under these provisions.

(22) With respect to section 120, it was recommended by one representative that all schools should be non-denominational except the minimum number of residential schools required to take care of unfortunate children. However, arrangements should be made for religious instruction in such schools by a clergyman of the appropriate faith. Another representative suggested that the band should determine the denomination of teachers by a majority vote of the electors of the band rather than have the denomination of teachers determined in the manner set out in this section.

## SCHEDULE "A"

### CONFERENCE MEMBERS

Telford Adams, Esq., Sarnia, Ontario, chief, Sarnia band.

George Barker, Esq., Manigotagan, Manitoba, chief, Hollow Water band, and president, Manitoba Indian brotherhood.

Joseph Beauvais, Esq., Caughnawaga, Quebec, chief, Caughnawaga band.

Leonard Bruyere, Esq., Fort Frances, Ontario, councillor, Couchiching band, and representative, grand council treaty No. 3.

Michael Clement, Esq., Restigouche, Quebec, chief, Restigouche band.

Thomas Favel, Esq., Paynton, Saskatchewan, chief, Poundmaker band, and representative, Queen Victoria Treaty Protective Association.

James Gladstone, Esq., Blood Indian reserve, Cardston, Alberta, president, Indian Association of Alberta.

Reverend P. R. Kelly, D.D., Nanaimo, B.C., chairman, legislative committee of native brotherhood of British Columbia.

Stephen Knockwood, Esq., Micmac, Hants county, Nova Scotia, chief, Shubenacadie band.

John Laurie, Esq., Calgary, Alberta, secretary, Indian Association of Alberta.

Munroe Linklater, Esq., Moose Factory, Ontario, chief, Moose Factory band.

Daniel Manuel, Esq., Douglas Lake, British Columbia, chief, Upper Nicola band.

Andrew Paull, Esq., North Vancouver, British Columbia, president, North American Indian brotherhood.

James Powless, Esq., Ohsweken, Ontario, chief, Six Nations band.

William Scow, Esq., Alert Bay, British Columbia, president, native brotherhood of British Columbia.

John B. Tootoosis, Esq., Cutknife, Saskatchewan, president, union of Saskatchewan Indians.

Andrew Trudeau, Esq., Manitowaning, Ontario, chief, Manitoulin Island unceded band.

# HOUSE OF COMMONS

**Saturday, June 26, 1954**

The house met at 10.30 a.m.

## PRIVILEGE

MR. VINCENT—REFERENCE TO ARTICLE IN "FINANCIAL TIMES"

**Mr. Auguste Vincent (Longueuil):** Mr. Speaker, I rise on a question of privilege. I have in my hand a very amusing article signed by Tempus which appeared in the *Financial Times* of June 25 in which reference was made to the member for the constituency of Longueuil. I have *Hansard* at hand to prove that I have addressed the house on nine different occasions during this session, my first in parliament. I am most amused to think that these speeches and remarks, according to Tempus, might have been delivered directly from my bathtub in St. Lambert, Quebec. Frankly, Mandrake the magician could not have done better. As for Tempus, who wishes to have a photograph of me, I have tried to meet him face to face for the past three days but have not been able to. I have not been able to see him. He did not even call me. It is proper to say that "Tempus fugit". Therefore I wish to reassure him that as soon as I get back to Montreal I will send him a photograph with my best regards.

## QUESTIONS

R.C.A.F.—CIVILIAN AIRCRAFT ROUTES

**Mr. Fulton:**

1. Prior to April 8, 1954, were any arrangements or orders in effect for the transmission to Royal Canadian Air Force stations from which aircraft operate, situate on or near civilian aircraft routes, of the flight schedules of such civilian aircraft?
2. If so, what were the arrangements?
3. Did orders then exist requiring the communication of such information, or the relevant parts thereof, as received by such stations, to all personnel having responsibility for the operation of or actually operating, aircraft from such Royal Canadian Air Force stations and covering the course of action to be followed by such aircraft under the circumstances?
4. If so, what were the arrangements or orders?

**Mr. Blanchette:**

1 and 2. Aircraft of the Royal Canadian Air Force are subject to the same flying regulations as are other aircraft. When flying under weather conditions requiring instrument flying, special rules apply and all aircraft, whether civil or military, are controlled by Department of Transport air traffic control centres. Under I.F.R. conditions, in addition to being separated, R.C.A.F. and other airfields are kept fully informed of the whereabouts of other aircraft in the vicinity. Under weather conditions, when visible flying rules apply, all aircraft provide for their own separation by conforming with the normal rules of the air.

3 and 4. When operating under instrument flight rules in or near air space controlled by Department of Transport air traffic centre, R.C.A.F., like civil aircraft, must obtain clearance from air traffic control and consequently, both R.C.A.F. and civilian personnel having responsibility for the operation of aircraft, receive communication of the information referred to. Under visual flight conditions, it is the responsibility of pilots to maintain the proper separation of aircraft.

CAMP GAGETOWN, N.B.

**Mr. Hansell:**

1. Has the government purchased, leased or taken over land known as Camp Gagetown in New Brunswick for defence purposes?
2. If so, what was the purchase price or terms of the lease?
3. Has the government sold or leased the pulpwood rights on this land to any persons or company?
4. If so, to whom and on what terms?

**Mr. Blanchette:**

1. Yes.
2. The total purchase price is not yet known as negotiations with former owners are not yet complete.
3. No.
4. Not applicable.

## SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

*56.* Departmental administration, $340,230.

**Mr. Fulton:** Mr. Chairman, last night the Minister of Citizenship and Immigration gave us a brief review of the activities of his department, outlining the work done by the three main branches. In my remarks this morning I shall confine myself pretty well to the immigration branch. First of all, however, I wish to express regret that this

department seems to be one which is always left until the last minute when intelligent discussion and adequate review are entirely impossible.

The minister has been pressed on a number of occasions this year to bring on his estimates somewhat in advance of the last day. He has indicated from time to time that he feels his department has been adequately discussed on previous occasions. The fact is that we have not had an adequate or full discussion of this department since 1950, and that for the three years since then until the present time the department has in fact been discussed for approximately only three days and one hour. I looked up the record. In 1951 this department was discussed for one day, and that actually was not a full day, the discussion only occupying 22 pages of *Hansard* which, according to my calculations, would be somewhere between two and three hours. That was on June 28. The session ended that year on June 30.

In 1952 again the department was discussed on only one day, the main estimates occupying again only 22 pages of *Hansard* or, being generous, a discussion of perhaps three hours. That was on July 4, the day of prorogation. In 1953, last year, it was discussed on three occasions. The first was the end of the evening on April 23 when the discussion occupied 7½ pages of *Hansard*. The department was called on the next day, April 24, when the full day was devoted to it. However, at that time there were morning sittings and many committees sitting, and in fact one member complained that he had not been able to be here although he had some things he wanted to say. It was not called again until May 14 when it was discussed for approximately one minute, just long enough to carry one item.

These figures show, as I say, that since 1950 we have been able to discuss this department only on two days for about 3 hours each, one other full day, and one hour on another day. And again in 1954 we find ourselves in the position where this department is left until the very close of the session when we are up against a deadline, and because of the atmosphere in which we are now working it is just not sensible to suggest that we can have a proper discussion of the affairs of this very important branch of government.

Looking through the records of past discussions to find out what was said, I find that there is a reason which occurs to mind immediately why the minister should leave his department always until this stage of the session. It has not been adequately discussed since 1950 for the reason that in 1950, when there was time to have an adequate discussion, the department was very severely criticized. It was severely criticized by a number of members on the government side of the house, who had some quite severe things to say about the policy or lack of policy being followed in the administration, particularly of the immigration branch of the department. I can well understand why the minister, therefore, is anxious to avoid discussion of his estimates so far as possible and has been successful in doing so.

I notice that in the debate of 1950 the hon. member for Rosedale made a fairly extensive review of the department. He made a statement with which, as a matter of fact, I cannot agree, when he said that in our immigration policy preference is given to immigrants of English, Irish, Scottish, French and American extraction. In the course of the same debate the hon. member for Spadina spoke at some length and his remarks will be found at pages 3584 and following of *Hansard* for 1950. He criticized the policy of the government as being "not a policy at all". He went on to say:

> My purpose in speaking tonight is to try to build a fire under the minister and the department so that he may get on with his job.

I regret, Mr. Chairman, that the fire lighted by the hon. member for Spadina, if in fact it was lighted, appears to have burned out some years ago, so what we are doing now is raking over some rather dead ashes.

The hon. member for Spadina at page 3586 of *Hansard* also spoke in a most earnest manner urging the government to foster immigration from the United Kingdom. I regret to say that it is my view, according to the figures which have been placed on *Hansard* each year in the course of this review, that that has not been done to the extent it should have been.

What happened after these efforts in 1950? In 1951 we had a good year in immigration. There were some 190,000 immigrants admitted to Canada. The totals admitted during the next three years declined substantially from that level, so that not only have we a decline in the numbers being admitted but it is my view that the policy laid out by the government in 1947 by the then prime minister, and since that time subscribed to and reiterated by the present minister, is not being fulfilled. I have reference particularly to the situation regarding the maintenance of the ethnic balance of this country. If one looks at the figures put on the record again by the minister last night, and I have them in detail before me in a release from the statistical unit of the department, it will be seen that when you have 47,077 from the

United Kingdom plus 9,000 from the United States, making a total of 56,000 of that category admitted in the year, and in the same year you have 68,675 north Europeans, including 35,015 Germans and you have 43,737 others, including 24,219 from Italy, it is not possible to agree with the minister when he says the policy of preserving the ethnic balance within the country is being followed.

From time to time we on this side of the house have made it perfectly clear we do not ask for any special preference being given to any one country as a source of origin of immigration or that we should concentrate exclusively on bringing in immigrants from that country. I want to reiterate that position here this morning. We subscribed to the view that Canada should take immigrants who are capable of being absorbed into both our economic and cultural background from any country where suitable immigrants offer. But we do say that should be tempered, if you like, to fit in with this policy of maintaining the ethnic balance and, not distorting the cultural or economic situation in Canada. The figures which I have placed upon the record as to the experience in that regard indicate clearly that principle is not being observed.

We have also, from time to time, criticized the government for apparent inability to work out an intelligent and vigorous application of the assisted passage loan scheme as applied to the United Kingdom, so that we may encourage more immigration from there. I have been given information as to the countries in which that scheme was applied, and the number of immigrants brought forward under that scheme since February, 1951, up to December 31, 1952, which I was given to understand was the last day for which figures were available.

**Mr. Harris:** I made a return in the house which brought it down to some time this year.

**Mr. Fulton:** I confess, then, that I have overlooked that. If the figures up to date present a different picture from the one I have drawn as a result of the figures I have, then I hope the minister will be quick to point it out. Up to that time, out of a total of 78,403 admitted, there were 4,361 from the United Kingdom; 22,224 from Germany and Austria, and a very small number, something in the neighbourhood of 1,700 or 1,800 from other European countries. The proportions between those countries from which immigrants have come under this scheme worked out at approximately 15·4 per cent from the United Kingdom, 78·2 per cent from Germany and Austria and 6·3 per cent from elsewhere. Once again the figures show that with respect to preserving the ethnic balance of this country, the assisted passage loan scheme is not being equitably applied to the different countries of Europe, in that the United Kingdom has a disproportionately low number of immigrants coming out under that scheme.

Now, there are other matters which are causing concern in connection with the immigration policy of the government. One of these is the picture with respect to the fact that, of the large number of immigrants coming from Italy, practically none came from the north. I draw the attention of the committee to a series of articles appearing recently in the Vancouver *Sun* and written by Stanley Burke. He pointed out that last year Canada had taken more immigrants from Italy than any other country had taken. He obtained figures from the Italian government which showed that 24,000 went to Canada, and only 400 returned. Out of 10,000 who went to the United States, 2,400 returned. Immigrants to the Argentine totalled 13,000, and almost that many made the "disillusioned" trip home.

Now, sir, I do not mean to say that we should not take immigrants from that country. They have made good citizens. What is pointed out is that the great bulk of those who have been coming so far appear to have been from southern Italy. What is suggested, and I should like to hear the minister's comments on the matter, is that we should, in so far as our industrialization is increasing, give more attention to immigrants from northern Italy. Those who come from southern Italy at the moment tend to be a rural people but they do not fit in well with the present Canadian farm picture. While they are farmers themselves, they are accustomed to living in villages, in a very closely integrated communal life, and they find life on Canadian farms somewhat lonesome so they tend to gravitate immediately back to the city. Well, when they get to the city they are not at all qualified or trained as industrial workers, and so they find themselves completely out of place. The suggestion has been made that in our policy of soliciting immigrants from Italy we should pay more attention than we do to those in northern Italy. Experience has shown that the latter make excellent Canadian citizens, with background of industrial and technical training. These people would be much easier to fit into the Canadian scene than those drawn exclusively from southern Italy.

What I have said is by way of a general survey of the immigration picture as I see it today. I should like now to turn for a moment to some particular criticisms of the department, and to say I find that there are a number of procedures being followed today which impose hardships and unfairness in many cases.

I have in mind the situation of the Chinese who are attempting to bring over their children. I know the minister has received a brief on this matter from the Chinese benevolent association, dated April 1954. I shall not go into the details in this connection, but I think it is important to point out that the department still appears to attach undue and rigid importance to the results of X-ray examinations. We have had it out with the minister before, where Chinese here in Canada want their children to be brought in. The department in Hong Kong has the children examined and X-ray photographs are taken. If the department feels that the X-ray photographs indicate a bone structure of lesser or greater maturity than might be expected in the child for whom application is made, they say that according to the X-ray picture they cannot accept this child as the one applied for.

The department adheres rigidly to the decision, notwithstanding the fact that the father may have produced testimony from relations here and back in China, as well as his own sworn affidavit, establishing on the basis of evidence from those who know the facts that this child is his own.

According to my information, the United States has rejected this X-ray procedure. While they may not have rejected it completely, they laid down the principle in the forties that where there was positive evidence, not otherwise contested, that the child was in fact the child applied for, then it was not a proper course to rely upon X-ray evidence discrediting identity. A number of cases in the United States established that, and the principle they follow is that unless there is direct evidence to contradict the evidence of the applicant, then the evidence of the applicant prevails. However, that principle is not being followed in Canada, and there are a number of cases of unfairness resulting in respect of these applicants for admission from China. We are dealing here, not with Chinese applying to come to Canada, but with people who morally and legally are in fact Canadian citizens, because they are the children of Canadian citizens. So I cannot understand why the department adheres so rigidly to this and other administrative practices which in fact make discrimination between Canadian citizens.

[Mr. Fulton.]

Those principles are not followed in the case of applications from other Canadian citizens but only, so far as I can make out, in the case of applications from Chinese. And I would suggest that in the light of certain recent court decisions, particularly that of Leong Ba Chi, if I have the name right, the department would be well advised to review its administrative practice in this field, and not only to avoid having its own administrative decisions reversed by the courts but also to avoid putting these applicants to such great expense.

In the instance to which I have referred, where the question arose as to whether the child was in fact the child of the applicant—and it was not based upon X-rays, but rather on a question of law—it had to be taken to the Supreme Court of Canada, and one can imagine the expense to the applicant and the incidental cost as well as the heartbreak in the meantime until this barrier of administrative obstinacy was broken down, and the courts saw to it that justice was done.

Another series of incidents recently have given rise to a feeling of concern in connection with deportation orders made under circumstances which seemed to be unfair to those persons ordered for deportation. I am going to refer to only one of these cases, to which reference is made in the Ottawa *Journal* of April 24. This is the case of Mrs. Shirley Brent.

The article is headed "Justice Raps Deport Order—Even He Can't Understand It." The article is dated at Toronto, and is a Canadian Press report. It states:

> Mr. Justice Wilson of the Supreme Court of Ontario criticized the Canadian immigration department Friday and said it should have disclosed any information it had against Mrs. Shirley Brent, 23, of Buffalo, N.Y.

He deferred judgment in the matter. The article goes on:

> Testimony was the woman entered Canada as a visitor January 1 as Shirley Taylor and was married to Barry Brent, of Toronto, March 9. On January 28 she appeared before an immigration board and was told she "didn't meet requirements".
>
> John D. Pickup, of Toronto, representing the immigration department, said no reasons had to be given under the statutes.
>
> "Fine state of affairs in this country where there is supposed to be justice," said Mr. Justice Wilson.

Then the report goes on to summarize the argument of Mr. Pickup as to the reasons why the department did not disclose the details behind the order. It then continues:

> Said Mr. Justice Wilson: "That is perfectly plain to the immigration people, but I must confess I would like you to explain it to me."
>
> Mr. Pickup: "It could be that she might become a public charge, or that she lacked education, or because of political affiliations.

Mr. Justice Wilson: "But surely, in fairness, the department should indicate what her shortcomings are; that's an illustration of how people coming to this country don't get fair treatment."

That is a fact which is causing concern. On a number of occasions I have been in conversation with people acting for prospective immigrants, although I do not think I have been in actual conversation with anyone acting for a prospective deportee. But where they are acting for a prospective immigrant they may get a rejection letter from the department saying, "We have to advise you that your application for the admission of this person cannot be granted." Then they have the greatest difficulty in finding out from the department the reasons why the application cannot be granted. They ask for a review. The reason they ask for the review is that they hope that in the course of the review some reason will be elicited, and the case against the application made clear to them, so that they will know what case they have to meet and whether in fact the reasons given by the department are reasons which in their opinion are valid, under the present immigration law, or whether they consider the department is misapplying or misinterpreting the present regulations.

But again they may receive a letter to the effect—"We regret to inform you that, after review, it is not possible to grant the application." Then the question will be asked: Where do we go from there? How do we go about discussing the merits of the case with the department, if we cannot be told on what grounds the department rejects the application?

I can see that there is one branch of cases—and I submit one only—where there is justification for not giving all the reasons, and that is where an applicant is rejected on grounds of security. That would be a case where, upon investigation, it has been disclosed that there is some background indicating that, for reasons of loyalty, such person would not be a desirable immigrant. I can understand that the department certainly should not disclose the details, because of the principle which is generally accepted that to disclose the details, where the information came from, when it was received, and so on, would enable those hostile powers, powers which are not friendly to Canada, to get details of our security system. I submit, however, that in cases where it is relied upon as the reason against the admission, still that fact should be stated.

I agree there is justification in that one type of case for the department not to go into the details, but I cannot see any justification in any other instance for the department not to give detailed reasons why it refuses admission, so that the applicant and his representatives will know what case they have to meet and can decide whether to press it further and whether, as I say, they agree the department is correctly interpreting the immigration laws, or whether in their view they are not, so that the matter could be taken further. At the present time they are at a loss to know what to do when they get this polite but improperly blank refusal to grant the application.

In this connection I note the number of cases where, in respect to the application for the admission of children of Chinese who are Canadian citizens, as well as in other cases, this feeling is becoming widespread. The representatives of the applicants do not know where or how to deal with it. I say we are entitled to hear from the minister this morning a review of details of the administrative practices within the department by which they deal with these applications. I urge that in future in all cases coming up for disposal the department should indicate to the applicant or his representative the reasons for its rejection of the application.

There is one interesting set of figures that I want to place upon the record in closing this survey of immigration, Mr. Chairman. The minister told us last night that, according to the review of Canada's absorptive capacity made this year, the government feels that approximately the same number as last year could safely be admitted to Canada. He did tell us, however, that a review of economic conditions in Canada indicated, if I understood him correctly, that prospective immigrants overseas should be given a stark and stern picture of the employment opportunities in Canada so that they would not arrive here and be disappointed on finding that the opportunities are not those which they have expected. If I heard him correctly, he went on to say that as a result of what I might call the stern outline which is to be given to these applicants, there may be a slightly reduced number coming this year in comparison with the number who came last year.

That is a sound policy, and perhaps it is based on past experience. I know cases have been drawn to the attention of hon. members of immigrants complaining that they were given a rosy picture. They came out and found that conditions were different and they felt that they were unfairly treated. That is most undesirable. We want in Canada people who are able to face hardships and surmount them. That has been our tradition; it would be unwise and unfair to encourage people to come

here under the impression that there are opportunities which may not be realized when they get here. This emphasizes the need for care, and I am glad that the department is going to follow that policy.

The other day I drew the minister's attention to the case of an immigrant from Germany who, apparently because of misapprehension on the part of the immigration officers, had been given to understand that he could obtain employment as an aircraft engineer. That was his employment in Germany. When he arrived here he found that, by the terms of a regulation made in Canada, he could not be licensed unless he was a Canadian citizen or came from a country where there were reciprocal arrangements with Canada in that regard, and it so happened that Germany is not such a country. I admit this is rather a technical matter, and it is perhaps asking the immigration officer to be superhuman to know all the regulations in that field. I expect the information was given in good faith over in Germany, but I cite it as an example of the care which is necessary so as not to mislead prospective immigrants.

In the picture presented by the minister's review his statement that there might be a somewhat smaller number coming to Canada as compared with last year is interesting. I hold in my hand a survey made by the Canadian Citizenship Council appearing in their publication "Citizenship Items" of February, 1954. I want to place this picture before the committee because I think it would be well for the department and the government to review their impression of the absorptive capacity of Canada. I will read the article *in extenso* because it is put in a clear and impressive form. It is headed: "How fast are we growing?" Before I get into the article I should say that very frequently the government, particularly, and others, say that we are now taking in all that we can practically absorb into Canada this year, and that Canada's immigration policy is aggressive and contributing substantially to the growth of the nation. The article is as follows:

Some have said "figures don't lie"; others that "you can do anything with figures".

We have assembled here, obtained from authoritative sources, figures relating to our population growth during the decade ending June 30, 1951. In that time our population increased from 11,507,000 to 14,009,000 (some 2,502,000, including 349,000 when Newfoundland became the tenth province).

The greatest factor was that of natural increase. Births exceeded deaths by nearly two million.

The net migration figures—that is, immigration less emigration—are rather interesting. During the decade, some 548,000 newcomers came to Canada, while some 388,000 persons departed to take up residence elsewhere, leaving a net gain by migration of only 160,000, or an average of about 16,000 per year. As at least 6,000 of these were dependents, net migration in the decade did not add to the labour force of the country much over ·2 per cent each year.

However, this decade included in its first half war years, when immigration was relatively light compared with more recent years. But if we look at the figures for the period of June 30, 1945 to June 30, 1951, we find that immigration totalled 464,000, emigration 293,000, leaving a net of 171,000, or an approximate average of 34,200 per year. This would mean an approximate addition to the labour force of less than 20,000 per year.

I have added the words "per year" because there appears to be a slight omission in the actual text. I continue:

From time to time we have heard, and read, that Canada's absorptive capacity, as far as immigration is concerned, is about 2 per cent a year. Net migration for the decade resulted in an average yearly increase of only ·13 per cent, and for the second half, only ·28 per cent.

When we first glanced at these figures, we were somehow reminded of Lewis Carroll. The Queen is speaking. "A slow sort of country. Now, here, you see, it takes all the running you can do, to keep in the same place. If you must get somewhere else, you must run at least twice as fast as that."

The situation, of course, is not quite like that. However the figures do suggest that for the decade period, in order to replenish the loss through emigration, we had to average about 40,000 newcomers per year, and during the second half of the decade, about 60,000. For during the decade, for every 55 immigrants, we lost through emigration 39 persons.

On the basis of that conclusion, which appears to be accurate and to be substantiated by the figures, one can see, Mr. Chairman, that if in order to replenish losses through emigration we had to take in about 60,000 immigrants, then in a year when we take in 168,000 immigrants we are adding to the net population only slightly over 100,000 persons a year by immigration.

Now, in a population of approximately 14,500,000 and in a country with the tremendous growth potential of Canada, I think those figures are interesting and they cast an important light on this question of whether we are approaching our absorptive capacity, and I submit that they indicate that the department should take a good new look at this problem from the point of view of ascertaining whether they are in fact pursuing an aggressive and vigorous policy of immigration, as the minister has frequently claimed we are.

I have here a clipping from the Ottawa *Journal* of May 5 headed, "Harris Defends Government Stand on Quebec Tax". I do not know how that crept in but apparently the minister had something to say on that subject as well. But this clipping contains these extracts:

Canada will have a population of about 23 million in 1974, Citizenship Minister Harris predicted last night.

Mr. Harris, in charge of citizenship and immigration, said in an address over the political free time series of the C.B.C.:

"If I may . . . peer into the future, it would be to say that in 20 years we shall have about 23 million people instead of 15 million people; that we shall be consuming then nearly all the beef, pork and similar farm products that we produce and pay our farmers a good price for them; that our workmen will have a higher . . . standard of living, and that our exports will not be subject to the fluctuations of one or two specialized markets."

All of which, Mr. Chairman, is a very pleasant and gratifying picture and I hope it is fulfilled. But I would submit that the rate of growth as forecast by the minister is perhaps unduly pessimistic, although perhaps it is realistic in the light of the government's snail-pace immigration policy. A growth in population from 15 million to 23 million would mean an approximate growth of 8 million people, and for that to be realized over 20 years would work out, as I calculate it, to about 400,000 people a year. Therefore, on the basis of that figure of 400,000 people, since the present annual net gain by immigration would appear to be approximately 100,000, that leaves the natural increase in the present population to account for the remainder of approximately 300,000 per year. The government has no control over the birth rate; and taking the over-all picture for the rate of growth, at least by immigration, that appears to me to be a very cautious and unduly slow rate of growth to be predicted for this country, particularly in the light of predictions that the twentieth century belongs to Canada. That might have to be modified as a result of government inaction to a prediction that the second half of the twentieth century belongs to Canada, and certainly if this forecast by the minister is to be fulfilled it will have to be postponed further and modified to read that the first half of the twenty-first century belongs to Canada. But I hope that this government will not be in power sufficiently long to retard Canada's rate of growth to that extent.

That, Mr. Chairman, about completes the review I had intended to undertake of the immigration situation in Canada today. We have in the past benefited enormously by the immigration we have had, and we believe that that experience and that pattern can be repeated in the future. We believe, however, that the government is not showing any signs of doing what it said it intended to do, that is, pursue a vigorous and realistic immigration policy, or of pursuing that also within the principle the government itself laid down, the principle of maintaining the ethnic balance of the country.

I submit that the figures I have placed on the record establish the inadequacies of the government's present program in these respects, and I urge the minister and hon. members opposite—as the hon. member for Spadina did in 1950—to take out their flints and stones and try once again to strike a spark which will light a fire under the immigration department of this government.

**Mr. Coldwell:** Mr. Chairman, the hon. member for Kamloops has, I think, given a very interesting criticism and review of some of our immigration policies, and I too propose to say something about immigration and then perhaps turn to the other departments of government which are administered by the present minister of immigration.

I think, of course, that immigration, if it is to be successful, must be realistic. It must give the people who come into this country a true impression of the kind of country to which they are coming, the kind of life they may expect to lead in this country, and we who are here already should give them a welcoming hand.

Perhaps I can say this as one who was an immigrant to this country almost 45 years ago. I say this because in my first year or two I fell in among a friendly group of Canadian citizens in western Canada, and through them I became a very happy citizen of this country in which since then my life has been and will be spent.

Therefore, I think that one of the things that the people across our country should do is to do their level best to welcome immigrants when they come into the country and assist them in finding their feet in what is, after all, a very new life for all of them.

During my 45 years' experience in western Canada I have seen people coming into the country who at the time looked perhaps rather difficult to absorb into our Canadian way of life. I am not so alarmed about the ethnic balance as is my hon. friend from Kamloops. In my lifetime I have seen in western Canada people who came into this country from eastern, central, and southern Europe, and I have worked among them and have come to know them very well. I must say that sometimes these people were exploited by those who were already here. But I have had the pleasure over the last number of years of seeing the children of these immigrants—depressed peasants, very often, from those parts of Europe to which I have referred—play a very important part in the life of our country.

Indeed, just over a week ago I had the privilege of being able to accept an invitation to witness the opening of a large Roman Catholic church in my constituency, and I was very happy indeed to meet the new

bishop of Saskatoon. Many of the immigrants who came from eastern Europe gave all their children an opportunity to integrate themselves into the life of this country, and among them is the new bishop of Saskatoon who, I am certain, will play a very worthy and important part in the life of the province to which his parents came.

It made me feel a little bit older than I am, because he was born near the town when I was principal at Sedley, Saskatchewan. It made me feel that, after all, life was passing along. I think I had some of his family at school in those days. I just mention that matter in passing, because, as I say, I am not so much worried about the ethnic origin of people who are coming to this country. Of course, I want to see the people who come here become imbued with our spirit of democracy, to understand our parliamentary and other democratic institutions, and to become good citizens of Canada. That I have seen them do. If we have a carefully planned system of immigration I believe that we shall meet with the success that we have met in the past. We have an excellent school system in our various provinces. The teachers in the schools throughout the years have done a great deal indeed to build up the kind of citizenship of which I think we can all be proud, not only in western Canada but all over this country.

What I was going to say is this. I think every care should be exercised to see that immigrants, when they plan to come to this country, are given a correct impression of what they will find when they reach here. I am also going to say, from my own personal experience, that I was fortunate, as I have already said, about the Alberta people among whom I landed 45 years ago. But I recall an immigration lecture which I heard before leaving Devonshire.

I had bought my ticket to Edmonton, Alberta, in January 1910. Shortly afterwards an immigration agent from the government or from the railways—I forget which it was—visited the little town where I was born and where I was at that time. I went to the lecture and I saw some beautiful pictures of Canada. Among them was a picture of the city to which I was going, namely the city of Edmonton. Then the next picture that was thrown on the screen was that of rather nice-looking girls picking peaches in an orchard. The placing together of those two pictures led me to think that when I got to Edmonton I would find peach orchards. As a matter of fact, I remember driving from Strathcona, as it was then—it is south Edmonton now—into north Edmonton as it is today, because there was no C.P.R. station there then; and crossing the river valley by bus I saw some cottages with a few little trees that I understood afterwards were poplar trees. I turned to a gentleman whom I had met on the train and had been talking to, and I said, "I suppose those are peach trees". That was the effect of the placing on the screen of two pictures in close proximity.

**An hon. Member:** What about the girls?

**Mr. Coldwell:** I was already engaged to be married at the time so perhaps I was not as interested in the girls; but they were very nice-looking girls, I remember. That brings me to this point. What was being done in those days is being done now.

I have here a clipping from a London evening paper—it is from an issue in February of this year—containing a report of a lecture in the civic hall at Croydon early in February. We are told that there was an audience of 800. The article says this:

> Canada was in need of many types of workers, but the main shortage was in artisans, farmers, qualified nurses, shorthand typists and domestic helpers, said Mr. Don Brown,—

I do not know who Mr. Don Brown is. I am quite sure he is not our colleague from Essex West.

> —a Canadian government official, at an emigration lecture, organized by Messrs. Thomas Cook & Son, and held at the civic hall, Croydon, on Monday.

The heading of this article is, "What Canada Offers her Immigrants: Work for All, Low Cost of Living, Lower Taxes".

**Mr. Fulton:** Government policy!

**Mr. Coldwell:** Then the article goes on to state:

> It was impossible to guarantee jobs or living accommodation before immigrants arrived, as much depended on the qualifications, experience and personality of the individual, but in a land as vast as Canada it was not hard to find work.

I have not much quarrel with that statement.

**Mr. Harris:** I would not think you would.

**Mr. Coldwell:** The article continues:

> Some people found places to live in only a few weeks after they arrived but usually it took three to six months.

Then it goes on to speak of the number of houses we have built. Then it continues:

> The houses were usually detached bungalows with central heating and built-in cupboards, each with about six rooms.

An immigrant would be puzzled to find living accommodation of that description. Then it goes on to say this:

> The national average wage was about £20 a week, but even emigrants who were fully qualified could not expect to earn that amount for the first few months, because they would have to adapt themselves to Canadian standards and ways of life.

Then the following is in quotes:

"The cost of living in Canada is less than it is here—

That is in Britain.

—and the average man can save 12 per cent of his weekly wage and still have a car, television and washing machine," added Mr. Brown. "He can earn £17 a week without paying any tax at all."—

**Mr. Fulton:** Oh, oh!

**Mr. Coldwell:** The article continues:

"Income tax is about a third of what you would pay in England."

**Mr. Fulton:** Oh, oh!

**Mr. Coldwell:** I venture to think that if any of those 800 people came to Canada as a result of that lecture, they would be disillusioned and disappointed, would write letters back to this London evening paper and would tell them how they had been tricked into believing that conditions were quite different from what they actually are in this country. That kind of thing hurts immigration rather than aids it. The article went on to talk about education for the children. It states:

Education was under the control of the various provinces, but it was free up to the university standard and, even then, only a nominal fee was charged.

In most provinces today high school education requires some fee. I would not call the university fees today nominal fees. Nor would I agree with this statement:

Many students paid for their own college education by working during the summer holidays.

They can help themselves through college or university during their summer holidays, but with university fees what they are today and the cost of board and room what it is today, a statement of that description is also deceptive.

Of course the British immigrant is now becoming extremely conscious of the fact that we have no national health plan in this country, and that our social security system is incomplete and behind their own. Consequently Mr. Brown had this to say:

There was no national health scheme as such, but there were many comparable services, and a form of family allowance which was payable for each child, including the first.

A lecture of that description is, I think, deceptive and wholly wrong and should be stopped by our Department of Citizenship and Immigration.

As if to confirm all this, I have in my hand a letter received sometime ago from a gentleman who lived in Canada for a long time. He reminds me that I met him on two or three occasions in the city of Toronto. I am not going to read his letter, but I am going to say that he tells me that he had lived in Canada for 40 years and that he is a 100 per cent imperial pensioner. He says he went to England to live—he is not an Englishman; he is a Scandinavian—because he could not exist in Canada on an imperial pension. That gives the opposite side of the story that the cost of living is less in Canada than it is in the United Kingdom. Then he goes on to tell me that he was in a shipping office near the place from which the letter was written, namely Thirsk, Yorkshire, in England, an agency for the Canadian Pacific Railway, where a young man was giving a lecture on Canada and trying to persuade people to emigrate to this country. This man goes on to say:

. . . it sounded so lovely, lots of houses, lots of jobs at $60 a week, no worries of any kind, pictures of Canadian farms, typical farms, with huge houses and lots of cows around them, no trouble to get one of these anywhere you like, just buy a ticket on the C.P.R. . . .

He goes on to say:

Now I know Canada needs population, but to drag people from the farm here with a lot of false promises is not fair, as England's biggest problem is food and they are desperate for farm workers here. I met a family here a day or so ago that went out to Canada three months ago and had to live all over the place and nobody wanted mother because she had done wrong and had a baby. What about that?

I will be glad to show the minister the letter afterwards. Of course I saw, as I have no doubt the minister did, the story in the *Journal* of June 23 of the 20-year-old German immigrant who said that he had been lured to Canada by promises of immigration officials in Germany of "a job for every man within 48 hours". I am drawing these cases to the attention of the minister so that greater care may be exercised. As one who was an immigrant to this country many years ago, I know perfectly well that there is no need to present a false picture, that if a person coming here is told the truth about this country, if he is willing to fit into the community and do what he can for himself and the community in which he lives in Canada, he will be perfectly all right. I think there is no country in the world which offers greater opportunities to young men or young women than does Canada. What I am saying to the minister is that we have got to be careful that we do not give an entirely false picture and cause disillusionment and bitter disappointment.

I also want to say something about the sponsoring of immigrants. I believe that Canada recognizes certain organizations as sponsoring organizations, shall I call them.

We have the Lutheran or so-called confessional groups in Germany, certain Roman Catholic organizations and other organizations. Yesterday I met in this city a German lady who is here to attend the international conference of social workers or the conference of international social workers—I forget which is correct—in Toronto in the next few days. She was telling me about the international labour assistance organization which has its headquarters in Brussels. It is of course a non-communist organization and is associated with the international federation of trade unions, which of course is an anti-communist international organization. Incidentally, our two labour congresses are both members of the international federation of trade unions, and I believe that through the international trade union organization they make some contribution towards the international labour assistance organization. This organization not only assists in the immigration of displaced persons. This lady told me that she knew the organization had some 500 suitable immigrants who wanted to come to Canada.

The organization is recognized by the economic and social council of the United Nations. In addition to assisting able-bodied immigrants to emigrate to other countries, it is also active in looking after some of those who are unable to look after themselves, the aged and the sick. I think the immigration branch might look into this organization through our embassies and other channels with a view to making use of it and giving it recognition, because that is important. These organizations usually receive financial support from semi-private or private sources like the Ford foundation, and recognition by Canada would be very helpful in obtaining assistance from such sources. I ask the minister to look into the matter and see if something can be done to accord some recognition to a worth-while organization of this description.

The hon. member for Kamloops mentioned discrimination. I feel that there has been discrimination in the department of immigration. I quite agree with all that he had to say about our Chinese immigrants. I know many worthy Chinese who are now citizens of Canada who have had great difficulty in obtaining the admission of their children to this country. I support the hon. member for Kamloops in the plea he has made that the method of determining parentage should be reviewed by the department and that sworn statements might be given more credence than has been the case in the past.

[Mr. Coldwell.]

But I do not think that discrimination stops there. I can think of some of our commonwealth associates, people from the West Indies, for example, where some of the oldest colonies of Britain are situated, people who have been associated with us in bonds of citizenship for centuries. If these people from the West Indies are coloured or even slightly coloured they have a very difficult task in trying to get into our country and settle here. Even if they are students they have difficulties in remaining here beyond the time they have set as being required for them to obtain their degree or education.

Of course the same applies to the East Indians. I do not know how long our Indian fellow associates in the British commonwealth are going to tolerate discrimination against people of East Indian origin. In other respects also I think there has been discrimination. I have heard from time to time about discrimination even in the choice of people from Europe.

At the end of the war we had departmental officials overseas who thought that every person who was more or less socialistic or associated with a socialistic organization was a communist. Yet among the bitterest opponents of modern communism are those to be found in the socialist parties of Europe. Before we send officials over there to screen people we should be very careful to see that they are told exactly what the position is in that respect.

I have said something about immigration. I want to make it perfectly clear first of all that I think the minister's policy of having a cut-off date so that immigrants will not arrive here in the depth of winter or in autumn when winter is approaching and be faced with hardships is a good policy. I support that. I think that immigration should be properly planned. We should try to bring in immigrants and place them where they can be placed without displacing Canadian workers. If displacement of Canadian workers is allowed, I think it will cause a great deal of opposition to immigration as such. This country requires more population and the opportunities that are here for great expansion should be taken advantage of under a careful plan.

There is one other group I should like to mention in connection with immigration. I believe our department might perhaps give a little more attention to trying to bring in orphans for adoption. I know of people in this country who are sending over $15 each month to Europe to maintain a war orphan in Europe. I believe that end would be much better served if we could bring a child into this country, and place that child in a good

Canadian home, because there are homes that are seeking children for adoption. The child could be brought up in a Canadian home, in a Canadian environment and then would become a first class citizen of our country. I mention the immigration of orphans as worthy of consideration.

I do not want to speak too long, but I want to say one other thing in connection with the Indian department. I was very happy last night to hear about the situation at Sarnia. I believe that the minister, in encouraging the co-education, if you like, of Indian and Canadian children—Indians are of course Canadians but I mean children of Indian origin and children of Anglo-Saxon, French and other origins—is doing a good thing. I believe that is something that should be encouraged everywhere. I have never been satisfied with the residential school as the solution to our Indian problem; I have never been satisfied that was a wise thing. I know it is not always possible, but I think it would be better to have these Indian children mixing, in so far as possible, with white children. They may be in separate schools or public schools, but let the two groups attend the same school. I am convinced if that is done we shall find the Indian child has just the same kind of ability as the average white child. I do not believe there is any difference in individual aptitudes or intelligence because of the colour of the skin.

I am quite sure that in the past we have not given the Indian child the opportunity that child should have had to live a full and decent life. I know we are not touching on health, but it is satisfactory to know that the health of the Indian population is being improved by the provinces and the dominion in co-operation with one another. This has resulted in an increase in the Indian population. I believe that is all to the good. After all, the Indians are the original occupants of this country and have a culture of their own. I have never agreed with the view that was expressed in some quarters half a century ago that time would settle the Indian problem because the Indians would become extinct. I am happy to know that is not happening. Given the opportunities for education, I believe that the Indian boy and girl can achieve an educational standing and enter useful fields of endeavour, not only on the farm and in industry, but in some of the higher branches of learning. I am, therefore, very happy to know that the minister is encouraging this type of association and co-education.

I know that the house is hoping to prorogue today, so I propose to take up no more time with this department. I have tried to say all I want to say at the moment. I believe we are all interested in doing the best to promote the kind of immigration we believe will build up the kind of Canada that we hope will develop in the future.

**Mr. Drew:** May I say that I do not intend to make a comprehensive review of the subject, in view of the extremely able analysis of it that has been presented by the hon. member for Kamloops on behalf of our party. May I say that I agree substantially with almost everything that has been said by the leader of the C.C.F. party. I would not wish to be misunderstood, but I could not help noticing his statement that the socialist parties are the most ardent antagonists of communism. May I say, without any reservation, that my regard for the hon. member for Rosetown-Biggar is such that I can support from my own knowledge any statement as to his very strong views on that, but I hesitate to let his statement go unchallenged.

**Mr. Coldwell:** Perhaps I should put it the other way around, that the socialist parties of Europe are the most hated by the communist party.

**Mr. Drew:** That, of course, opens the door to other approaches, and I do not wish to extend the argument through a historical review. However, I would not like to forget that Mr. Nenni of the socialist party in Italy is not offering a very good example of opposition to the communist party.

**Mr. Coldwell:** There are black sheep in every group.

**Mr. Drew:** We all have them, but I do want to make it clear in raising that question that my personal regard for the hon. member for Rosetown-Biggar is such that I would not in any way associate the comments I am making about any party elsewhere with my own belief as to his own firm stand on this subject.

I do wish also to express my appreciation to the hon. member for Peace River, who stood aside to permit me to speak because I have an appointment at 12.30. May I just interpolate, Mr. Chairman, another aside that has not to do with immigration. In view of the press report which I hear appeared this morning, I hope that this will not be taken as evidence of forming some alliance between the Conservative and Social Credit parties. I might say that the other comments to that effect are just as ridiculous as any suggestion of this kind would be. My statements in regard to our position as a Conservative party are clearly on record in that respect. With very high regard for the individuals who belong to the other party, I have

made it clear our views are very strong in regard to the position of our own party. I am quite convinced from things I have seen that the hon. member for Peace River is equally strong in his statement as to the very great difference of opinion on their side as well. I do not want, therefore, any of those who have made these ridiculous statements anonymously, which were picked up in the press this morning, to suggest that this gives confirming evidence of the childish statements that were referred to earlier this morning.

Now, coming to the subject of immigration, I wish to deal with certain specific points that are outside of the ambit of the excellent presentation that has been made in regard to this subject by the hon. member for Kamloops. I want to deal, first of all, with the ethnic press. I deal with that first because I believe there is something here of tremendous importance in relation to the newcomers to Canada who are neither of Anglo-Saxon nor of French stock. In Canada there are a substantial number of newspapers published in the language of those who are making Canada their home. Each one of us, recognizing the difficulty we have in learning even a second language right in our country under the methods of instruction that we have, will realize that many of the newcomers are going to have great difficulty, I am sure, in reading English. For that reason, they will naturally turn to the newspapers that are printed in the language to which they are accustomed.

It is very important to remember that there are some 25 communist newspapers in Canada, openly declared communist newspapers, appearing in the language of these newcomers. Most of them, unhappily, are published in Toronto. That, I hope, is because of its central location rather than for any other reason. For people anxious to read news in their own tongues, people anxious to read news in perhaps the only language they are able to read, for the time being, will be very likely to avail themselves of the opportunity of reading whatever is presented. And I think it is of very great importance to us that we assist in every way we can those democratic, loyal and very earnest publications which are anxious to create a spirit of real affection for Canada.

I think that can be done in different ways. We know that a great deal of money is spent in this country for advertising. Sometimes we are critical of the total amount. There are certain types of advertising which I think are legitimate in every way, and which perhaps could be increased, while others are decreased. I think it is very important that the ethnic press, which reaches a very large number of people who still find it difficult to read in either English or French, should receive their fair share of advertisements from all departments of government. I do not think we should look upon this merely as giving financial assistance to the ethnic press. I think we should recognize it as a channel through which government agencies could reach people in a way that cannot be done otherwise. However, even if sometimes it were a case of assisting them financially, I would still feel that it would be justified under the circumstances I have outlined.

We should remember that the communist press is well financed. It is financed from Russia. They get news dispatches from behind the iron curtain—very long news dispatches, for which they pay nothing. They get those regularly, in regular telegraph forms. Naturally this makes interesting reading for many people who came from those countries. The loyal ethnic press, the ethnic press that wishes to help all of us to advance the understanding of Canada on the part of newcomers from other lands, should receive encouragement not only from the government but from all our business advertisers, so that those people may be able to do better the job of citizenship which they can do so well.

The figures of the number of people affected by this situation are impressive. We know that not long ago these figures showed that of the more than a million people who have come to Canada since the end of the war, two-thirds are of neither Anglo-Saxon nor French stock. We know that a very large number of those people—close to 700,000—can be reached most easily through what we describe as the ethnic press. I therefore ask the government, and particularly the Department of Citizenship and Immigration, to recognize the advantages of reaching the people through notices that would be designed particularly for them as to ways in which they can have things done that need to be done in this country. This would help the newcomers, it would help the press and it would help all Canadians. After all, these people who have chosen Canada as their home have a very special problem. They do not know where to go to get many things done. A mother may be about to have a child, but she may not have information as to how to reach a doctor, or what hospital facilities are available. Those who are seeking employment may not know where they can get information on that subject. And so it goes through a long range of subjects. And the ethnic press would be the best place

to have that information available in a simple, compact and readily understandable form.

I can say from very careful observation of the contents of the anti-communist ethnic press, and from contact with the editors and publishers of those papers, that there are no people in Canada more anxious to instil in the minds of newcomers from countries whose languages they use in their publications a deep and abiding faith in the country they have chosen to make their home. I think it is important for each one of us, whether through channels of government, by personal association or by business advertising, to assist them in every way it can be done.

Now I wish to refer to something said by the hon. member for Rosetown-Biggar. He spoke about the difficulty in connection with certain aspects of immigration; he spoke about some of the uncertainties in the handling of immigrants. I have referred to this subject before and shall not enlarge upon it now. I am satisfied a great deal could be done; I am satisfied a great deal should have been done long ago to simplify our immigration procedure overseas. There is no reason in the world why prospective immigrants should not have a simplified procedure which would bring together under a single roof most of the things that need to be done before they come here.

For instance, there is no reason why medical examination, information in regard to exchange and money, details in regard to transportation—every subject of that kind—should not be brought together under a single roof in those larger centres where these people are going to try to find out how they get to Canada.

Another thing that causes infinite heartache in the minds of prospective immigrants is uncertainty as to time and as to the method in which people are examined medically. They travel long distances to have medical examinations when, I am sure, local examination could take place just as satisfactorily. People in different countries of Europe are called upon to travel long distances which, having regard to their countries, would be considered just as great as if people here were called upon to go from Vancouver to Ottawa to be medically examined before undertaking some venture of this kind.

I am certain there is a more simplified procedure that could be followed. I am sure also that much could be done to give earlier knowledge of the time they are likely to leave, because most of these people are being vouched for by relatives on this side. We are dealing with human beings, people with deep family emotions—not with files of paper. People on this side are perhaps waiting in anguish, wondering what is happening on the other side, and all they learn is that inquiries have not been completed. Those inquiries are conducted under a wide-open power that really gives a measure of dictatorial authority that I would imagine the minister himself would hardly regard as being desirable.

This was summed up in an article which appeared in Toronto *Saturday Night* of May 22, where it says:

> The present Immigration Act obviously confers arbitrary powers on petty officials and leaves much too much room for discriminatory, unfair treatment of visitors and settlers. It is up to Mr. Harris to present to parliament amendments to the act which will make it a clear, just vehicle for the regulation of immigration—and at the same time to ensure that his department is organized to apply the regulations with courtesy and reason.

I am satisfied that that is a simple and moderate statement of the requirements, and that unfortunately we will not be able to satisfy those requirements at this time.

Before passing on to the next subject I wish to point out that this is not the first time we have waited until the last day of the session to deal with this vitally important subject. What we are dealing with is the growth of Canada. We are dealing with human beings who, we hope, are going to make good Canadian citizens. It is a subject of vital importance. Perhaps there is no more important department than the department of immigration. The way in which these newcomers in their hundreds of thousands are handled, dealt with and encouraged to become good Canadians is perhaps one of the things most vital and fundamental to the strength of this country in the future. Just to indicate that this is not something new, may I quote what I said on this subject on July 4, 1952, as reported at page 4276 of *Hansard*:

> Before we pass this item, I want to suggest that perhaps what is happening this afternoon indicates the advantage to any important department of holding its estimates off until the last moment. This subject is being discussed in an atmosphere of complacency that is wholly out of line with the sentiments of the people of this country generally toward the administration of this department. It has already been said today, and I feel sure it is true, that next to the burden of taxation and the high cost of living there is no single subject about which there is as much dissatisfaction as there is in regard to our over-all policy of immigration.

I said that on July 4, 1952; I repeat it today, but I repeat also that the people of this country are becoming increasingly concerned about the uncertainty as to what rules really do apply. Part of that uncertainty is due to the fact that the minister has not taken this house into his confidence to the extent that he should.

*Supply—Citizenship and Immigration*

I want to deal next with something that should have been cleaner up long ago. On March 15, 1952, an article was written by a highly qualified writer, Mr. Blair Fraser, in *Maclean's* magazine under the challenging title "How racketeers sold entry into Canada". Unless the facts are challenged, and they have not been satisfactorily challenged by the government, that article disclosed one of the most barefaced and heartless rackets in the history of this country. On a number of occasions questions have been asked in regard to this subject and as to what is being done. For instance, on December 9, 1952, I asked a question which had succeeded several earlier questions. I asked the following question on that day, as reported at pages 458 and 459 of Hansard:

I should like to ask a question of the minister of immigration. Is the minister in a position to report to the house what steps have been taken in connection with the disclosure of fraudulent conduct which was discussed in the house last session, and in respect of which we were informed inquiries were being conducted, and that action would be taken?

The present Minister of Citizenship and Immigration, who was the minister then, replied:

Yes. The charges against five or six people are now being prepared, in consultation with the Department of Justice. I think—although this is my own opinion—that they will likely be laid in the course of the next month, at the outside.

Whatever the department and the government have done about this matter following that, parliament has not heard about it. This is something that is not merely a case of prosecution of a few men. This discloses a wide-open, barefaced racket under which people were taking money to bring some immigrants here. Unhappily it would appear they were more successful in getting some of them here than those who have been following the normal methods have been. The fact is the success they have had in bringing people here only encourages racketeering of that kind. When they find the difficulties in following the normal methods they perhaps are encouraged to follow abnormal methods, and they may be encouraged to believe that that is part of the process of bringing people to this country. Not only do we want a clean record, in the opinion of countries from which we expect immigrants at this time, but we must make sure that any more rackets of this kind are disclosed in the utmost detail, and leave no uncertainty that this is being dealt with with justice, with even-handed consideration and in the firmest possible way, wherever irregularities are disclosed.

[Mr. Drew.]

The minister should bring this committee fully up to date in regard to this matter and let us know exactly what has taken place; not merely to prosecute if there have been grounds for prosecution, but to clean out the condition that made it possible for that racket to develop in the first place in different countries in Europe.

I want to deal with something that I regard as extremely serious. It has been mentioned here before. I just want to mention the tale of two men because they tell such a different story. I want to read first from a Canadian Press dispatch of April 14 of this year:

Hon. Walter Harris, immigration minister, has declined to comment on a departmental decision ordering the deportation to France of Mr. and Mrs. Henri Zorin of Quebec city. The Zorins were ordered deported after Mr. Zorin was convicted on a charge of assault and paid a $50 fine. Under immigration regulations immigrants convicted of crimes are deported automatically.

The assault charge arose in connection with Mr. Zorin's defence of his wife after she was assaulted in Quebec city. Mr. Zorin pleaded ignorance of Canadian laws and said he would have appealed the sentence if he had known that deportation would be automatic.

That man, defending his wife from assault, convicted formally in respect of that sentence, was deported. Let me refer to another very unusual case where a man is still enjoying the full advantages of living in Canada. I am going to refer again and in greater detail than I have before to a case that I think should cause concern to all Canadians, and above all it should cause concern to those people in responsible positions in our labour organizations who have done so much to establish respect for the standards of organized labour in Canada. I think we have every reason to be proud of the respect for law and order and the demands for respect for law and order which have been expressed by the great leaders of our recognized labour organizations in this country. It is for the reason that we want the very highest recognition of what has been done by men in positions of responsibility in the labour organizations of this country that I draw attention to this unusual case once again, because it is far from satisfactory that a man with the record he has should have been given the extraordinarily preferred treatment which contrasts so remarkably with that extended to Mr. Zorin who was deported—because a conviction automatically carries with it deportation.

I refer again to the case of a man named Harold Banks. This is a subject that involves not only the Department of Citizenship and Immigration but the Department of Justice and the Department of Labour as well. This man came to Canada some years ago for the specific purpose of carrying out activities of

a particular kind in the way of labour organization. I think very real questions might be raised in regard to permitting him to come in under any circumstances if his record in the United States was actually known. I am unable to say whether his record was known at the time he came in. It has been known since then, however. I think it is important to realize that, as contrasted with Mr. Zorin, this man, having come in specifically for the purpose of organizing in Canada under a temporary permit, was admitted for permanent residence in Canada on May 8, 1952, after he had already been convicted under the Customs Act here in Canada the month before.

Surely if conviction in one case means deportation, conviction in another case should at least give rise to some inquiry as to the man's background before he is given permission to remain as a permanent resident. Therefore, I think it is necessary now to withdraw any veil of secrecy in regard to the record of this man, who has been in the courts of this country on more than one occasion since he came here.

I said before and I repeat that he demonstrated his acceptance of the privilege of being in Canada by being in possession of 36,000 smuggled cigarettes, in April 1952, and being convicted on a charge with respect to those cigarettes that month and fined $200. That was four times more than Mr. Zorin was fined. In addition to that, his automobile was seized, but was subsequently released because they were unable to prove that he had actually been the smuggler. But he was convicted of being in possession of 36,000 smuggled cigarettes the month before he was given permission to become a permanent resident in Canada.

This man had been convicted on different occasions in the United States. One of those convictions in 1930 carried with it a sentence of fourteen years in San Quentin prison. That, after all, is not something that should be disregarded, and it was known to the department before this man went to Geneva this year with the permission and approval of the Minister of Labour. His appointment was paid for from the general fund of the ILO to which Canada is a contributor, and in that way Canadian funds were used, through the formal approval of the government, to send this man as a Canadian representative at this gathering on this occasion dealing with a specific branch of labour organization activities.

That was not his first conviction in the United States. In a form of what we might call release, he received a rehabilitation certificate in March 1934 under which, as a result of an act of the governor of the state, he received what is called a certificate of pardon. That does not mean pardon in the sense of absolving an individual from the crime. It merely means that this rehabilitation certificate, in other words a declaration of good conduct by special order of the governor, was given this man, and he was released. But on December 5, 1947, at Richmond, California, he was charged as an ex-convict with being in possession of firearms. The formal charge in regard to firearms was dismissed and on a reduced charge of disturbing the peace he was convicted and fined $20 or ten days. This record was known to the government this year at the time this man went to Geneva and before he left. It was known to the Minister of Justice and the Minister of Labour as weli as to the Minister of Citizenship and Immigration.

Now, Mr. Chairman, there is an old rule, which should be firmly respected, that no man is guilty unless proved guilty and there must always be a presumption of innocence. But when you see facts such as this, and when you learn that this man came to Canada and was not only convicted under the Customs Act but also twice charged and acquitted here, one begins to inquire, and surely the pattern of charges should at least be a warning to the government. One cannot disregard the fact that this man was charged on June 28, 1942, with child stealing in the United States, though there is no evidence of conviction in that case. Later he was charged with murder and acquitted.

Now, let me emphasize, Mr. Chairman, that he was convicted on other charges. Surely there is some pattern here; and, in view of that, some concern must be felt when a man shows such a regular habit of getting into the courts under serious charges of this kind, no matter whether acquittals follow or not, and particularly when there are convictions for other crimes.

These factors were before this government, and these facts were known to this government for some time. Mr. Zorin defends his wife, is convicted of assault, and is deported to France. Mr. Banks carries on these activities and receives government acceptance of his nomination. Do not let the government say that the responsibility in this case was the responsibility of the highly respected members of one of our largest labour organizations. After all, they were

not in possesion of these facts; they did not have this record which the government had; and they did not know his background. This man was the head of a union which was dealing with a type of organization that was directly related to the conference which was taking place in Geneva, and it might not be unnatural that his name would occur to them for nomination.

But it was the responsibility of the Minister of Labour, the responsibility of the Minister of Justice, and certainly the responsibility of the Minister of Citizenship and Immigration to consider the seriousness of this, because this question was raised in this house on several occasions before that man left. Why the difference between those two cases?

I think there is another point that should be considered, and this is something that should be of interest to organized labour in this country. While we certainly would not wish to keep out of Canada anyone who is desirous of coming to Canada, whose record is clean, and who is likely to become a good citizen, nevertheless I think that most of us might well like to feel that those who are in positions of great responsibility are men who are likely to become good Canadians.

Now, let us see what happens. This man is in the fortunate position of automatically drawing $500,000 a year through the dues paid to him. Nearly $300,000 of that amount comes from four main inland steamship companies, and the remainder from other companies with which he is associated.

Now, Mr. Chairman, there is no evidence that he accounts for any of this. I should think the Minister of Labour would be extremely interested in a situation of that kind. I should think the Minister of Citizenship and Immigration would be extremely interested, and I should think also that the Minister of Justice would be greatly interested in the methods adopted in other departments to make sure that people coming into this country are likely to be law-abiding citizens. On the record, this man is most unlikely to be a good Canadian at any time. On the record, this man has not demonstrated that he is desirous of accepting our laws. He has already broken our laws on the basis of an established court conviction.

I say with deep sincerity—and, after all, out of long experience in a position of administrative responsibility—that I know how great undoubtedly is the desire of the heads of our unions in this country to maintain law and order and to make sure that every great labour organization is a part of the Canadian society in the very highest sense of that word. For that reason I would point out that we are still waiting to hear one word about the board of inquiry we were told would be set up with regard to this particular man.

I would have thought that the minister would have acted the very next morning, the moment these facts were brought to his attention, and that he would not have waited until they were brought out here in the house. If anything resulted from that inquiry, we do not know about it. We lack information not because a number of questions have not been asked; it is because we have not been taken into the confidence of the minister.

Mr. Chairman, the department of immigration is the department through which future citizens of Canada are brought into this country. I should like to know the reason for the difference in the treatment of the two men. Why was Mr. Zorin sent so promptly back to France? Why does Mr. Banks remain? Mr. Zorin's only offence, so far as we know, was that he defended the honour of his wife. Mr. Banks' record is before us for all to see. Even if there were not a single conviction, the regularity with which he finds his way through the doorways of the courts should in itself have proved to be some warning. No matter how many acquittals there may be, the extraordinary facility with which he gets involved in serious charges might in itself have led to some inquiry. There has been standing against him a conviction sufficiently important to call for a sentence of fourteen years in San Quentin penitentiary, of which number he served only four. Those are things which relate to the way in which we are going to bring people to Canada.

We have still unanswered those clear and specific charges that appeared in *Maclean's* magazine. We have unanswered questions that have been asked over and over again with regard to different people that are here. I could repeat several examples in addition to the Zorin case. I could name men whose service in the cause of freedom entitled them to consideration and respect but who have been harassed by the department while Mr. Banks has been living the life of Riley with the assistance of the government.

Mr. Chairman, this subject is too serious, even at this last day of the session, to be left wide open. If it is not possible for this subject to be fully dealt with, I submit that the unanswered disclosures call for one thing. Although the Prime Minister is not here, I press my request. May I say that I do not raise that point in any way as even implying criticism of the Prime Minister, because I know of the heavy responsibilities he accepts;

I know that right now he is preparing for an extremely important conference next week. But through the channels of *Hansard* and all the ministers who are here, I press with the utmost earnestness my request that a royal commission be appointed to inquire into the administration of the department of immigration so that we may know what lies behind these unanswered questions that are before us.

**Mr. Low:** Mr. Chairman, it had not been my intention to lead off for our group in the discussion of this extremely important matter of immigration, but because of the illness of the gentleman who was to lead off for us I find it necessary to pinch-hit for him. I do so because I feel that this whole matter of immigration is of such great importance to Canada that there should be an expression from all groups in the House of Commons, either by way of criticism or commendation or caution to the minister and the officials of his department.

Immigration is of tremendous importance to a country like Canada. We find ourselves with vast expanses of a country which is sparsely populated. In a world of unrest and confusion, it is hardly likely that the people of overpopulated countries—people who could be classed as underprivileged people —would remain satisfied for long to look across the ocean and to see Canada carrying on in these vast domains with a population of 15 million people. That they would be satisfied is something that one just could not expect. There are many people in various countries who would be anxious to come to a country like Canada and to have an opportunity to carve out for themselves a home and to build up for themselves a decent standard of living. It is therefore true that one of our great problems today is to increase our population, and to do so in a way that will benefit the country as a whole and will make out of Canada the country that we want it to be. It is because I realize the importance of the matter that I decided I should say something about immigration.

In general I find myself in support of the minister's policy. It is a policy which could be described as one of selective immigration. Before I launch into a discussion of some of the matters that are related to selective immigration, may I just say a word about the minister himself. I feel that the minister is doing a good job. I have a high regard for him and for the attitude that he takes towards his work. He takes his work seriously and I know that he takes a pride in what he thinks is a good job. He has always given most careful attention to anything that I have brought before him, and I think I can say the same for every employee in his department. He not only takes a deep pride in what he thinks is a good job, but I believe that he goes out of his way to find out wherein his own feelings and policies may be at fault and that he tries to correct them. I wanted to say those things because I believe them to be true. They express my genuine feeling. I wanted to pass on that word of commendation to the minister because I know that in his efforts he will have to take a good many boots in the place that is built into men to be booted.

In our efforts to increase our population, I think we must continue to use care and good judgment. In our screening of prospective immigrants I think we should ever bear in mind that we want our Canadian population to be a choice people. That does not mean to say, by any means, that we are prejudiced against any people, no matter where they may live on the face of the earth. However, I believe that in Canada we have had a choice people. My judgment is that there is not on the face of the earth a people who can be said to be more choice than the Canadian population. I am taking it by and large from one end of the country to the other. Let us keep it so. We have had a high name. We have had a fine reputation through the whole world. Let us keep that reputation. We can keep it if we conduct our immigration policy with a single eye to continuing to build a choice Canadian population.

The people who love British ideals of freedom, justice and enterprise should, it seems to me, be the first considered for permanent entry into Canada. It is altogether too difficult in days like these to inculcate these principles into people who have not known them and who have not been educated in these ideas. There are too many areas on the face of the earth where people have not learned to appreciate British ideals of justice, freedom and enterprise. I think that in our screening we have got to be careful, at least until such time as our population has grown sufficiently by bringing in the choicest people. Then we may be able to relax a bit and allow some others to come when the great weight of opinion in the country will be such that newcomers can be easily taught who are unaware of our background and our ideals. I think, as I said, that we have got to be exceedingly careful at least for the time being. People who will come to love Canada and to make this country their home, with all that that implies, should receive the nod first.

I do not see any good sense in bringing prospective citizens into our country about whom there would be some doubt as to their ability to come to love the country. While

I am saying that, may I add that it is becoming increasingly difficult, under the barrage of propaganda that covers the entire earth, for people to concentrate their love upon country. Some call that nationalism, and they criticize this inculcation of love of country because they say it becomes narrow nationalism. Well, Mr. Chairman, I will take my chances with them before I will with these psychoneurotics who have no capacity to love anything and who call themselves citizens of the world.

We want the kind of people in the country who will come to love Canada. It is the only way we can build up that real patriotism, that real feeling of affection that will make them struggle for the country instead of against it. There are altogether too many who are capable of loving and living a lie. I have often thought of an expression which is not very wholesome in its sound, but it certainly carries the right connotation. Even a louse will cling to the flesh on which it feeds. I think we ought to think of that in connection with our immigration policy. We need in our country people who are ready to pioneer, who are ready to work and to put up with some hardships in order to win for themselves a measure of material security, people who at the same time will be prepared to take their responsibilities of citizenship.

In bringing that kind of people to our country I think it is important for us to give them every help and every encouragement that we can so that they can be prepared to take their responsibilities of citizenship. They have got to understand, and if they are to understand then we have got to be prepared to make the wisest use of their own languages.

Something has been said here today about the ethnic press. I support what the Leader of the Opposition said in that regard. I believe the ethnic press offers one of the finest ways by which we can get over to these newcomers to Canada in their own language, the language they understand and appreciate, what our ideals consist of, what we expect of them and how they can best integrate themselves into the Canadian way of life and protect themselves against the propaganda that all too often besets them immediately they enter the country.

I have been keenly interested in the possibilities of the use of the ethnic press to help our immigrants to this country. After talking with the editors of such papers, I have often wondered why it is that the foreign language press is neglected. I do not mean by not giving them moral support. That is not what I am trying to get over. I think that we should be going out of our



way to give encouragement to the loyal foreign language press of this country; but, as I say, it is not merely a question of moral encouragement. There is another thing. According to Allan Boyd, who seems to be something of an authority on the foreign language press, the communist foreign language press in Canada is well organized, and the interesting thing is that it is well supported. How? Well, support means finance to keep the paper going, to make it possible to have sufficient employees of the kind required to do a job.

How is it that they can get advertising? They get it and they get plenty of it, but the loyal foreign language press cannot. It does seem to me that there are ways by which we can ensure these foreign language newspapers that are loyal the means by which they can continue to publish their efforts. Why would it not be possible for the federal and provincial governments to take advertising in these newspapers? The Post Office Department has to advertise. The Department of National Defence has to do a lot of advertising. The Department of Trade and Commerce has to do a great deal of advertising. Even the Department of Citizenship and Immigration has to do a lot of advertising.

I have heard such hon. members as the hon. member for Notre Dame de Grace criticize expenditures for advertising. Nevertheless I feel that the government, if it is to make the wisest use of this great educational factor, should go out of the way to take advertising in the loyal foreign language press of Canada. I want to quote briefly the substance of something that was published in the *Financial Post* on November 1, 1952, in this same connection. Speaking of the use of the ethnic press, the article has this to say:

> Fighting the propaganda of the left-wing papers is Canada's democratic foreign language press. Editorially, all of the 139 free papers are for democracy and the Canadian way of life, though their effectiveness is sometimes hampered by the multitude of national factions and the opposing ideas they represent.

The article goes on to point out that the great weakness of the loyal foreign language press is lack of facilities, which is quite unlike the Kremlin-supported foreign language press in Canada. It goes on to say that the subversive effect of the Kremlin-supported papers is beyond our comprehension, and it must be remembered that these Kremlin-supported papers get into the hands of our immigrants immediately they arrive in this country. The papers are in their language and these people do not know and have no way of knowing. I say the best way to make

it known to them is to use, by every means possible, the loyal foreign language press. The *Financial Post* article goes on to say:

Set against these inadequate tools—

Of the loyal press.

—is the editor's important responsibility to link the new world way of life with former traditions and to introduce Canada to his readers. Many of the editors—

Speaking of the loyal press.

—having experienced Soviet oppression have a dynamic yardstick with which to measure the value of Canadian freedom and are eager to combat subversive elements among their peoples. They actually make up one of the most active anti-communist groups in the country today. Often, because of their limited, personal resources, it's an unequal battle.

Now, let us see that it is made a more equal battle. I support by every vehemence at my command the appeal made in this connection by the Leader of the Opposition.

There is another thing I believe we ought to keep in mind as we contemplate the policies we shall follow with respect to screening and measuring the type of prospective immigrants. I believe that in making our selection we should be sure that the selectees have a proper background, both of tradition and of experience, so as to be better able to find and properly fill positions that will yield them a satisfactory living in this country. In this connection, I think we should be exceedingly careful to ensure that our prospective immigrants know exactly the conditions to which they are coming in Canada. Much has been said about that already, and I shall not repeat it. Let us not be guilty of continuing to allow beautiful pictures to be presented to these prospective immigrants, pictures that prove not to be in keeping with the facts when they arrive here. Let us give them the truth, and see that they get the truth. Furthermore, let us be sure that when they do come they are the type of people who can fit into the jobs that are here for them.

I am not one of those who worry too much about the matter of employment. I know a lot has been said by various groups and labour unions who think that immigration is too rapid. We have to use some caution, of course, but I believe that if we are reasonably cautious about the speed of the application of our immigration plans we can assure every single one of these people who come a decent job. I believe, with the *Globe and Mail,* as expressed in their editorial of December 15, 1953, that every immigrant who comes into the country, who is a capable and well selected immigrant, makes jobs for people. I believe that is a fact. I heard a delightful talk by the minister of immigration down at the Chateau Laurier not so long ago on the occasion of the annual scout dinner.

I recall a lot of the things he said, and when this *Globe and Mail* editorial was drawn to my attention, I discovered that one of the employees of the department of immigration, speaking at Niagara Falls last autumn, had said almost essentially the things the minister said down at that dinner. I just wanted to mention one or two of the things that were pointed out in this editorial, which is headed, "One in Five". It starts out this way:

Sometime early in the new year, Canada will receive its millionth post-war immigrant. This newspaper would sooner it were the two millionth or three millionth, because it firmly believes that Canada's biggest problem—and the root of nearly all the other problems—is its lack of population.

I want to point out to the *Globe and Mail* that it is just as well not to get into too big a hurry. I think we ought to take a reasonable speed and keep it. Then, the editor goes on:

This is not a desirable state of affairs. Nor, we believe, is it necessary. Given proper leadership at the top, the Canadian people would accept large-scale immigration as a basic principle of national policy.

I emphasize that. Farther down the editorial continues:

. . . Mr. John D. Sharp, the department's regional liaison officer at Niagara Falls, last week showed that city's junior chamber of commerce how immigrants make jobs for established Canadians. He pointed out that about 38 per cent of post-war immigrants have bought cars;—

I remember the minister mentioned that down at the Chateau Laurier.

—and about 40 per cent own their own homes. Something more than 40 per cent have household appliances, such as refrigerators, and 52 per cent are living in single-family houses with everything that implies in the way of domestic purchases.

I point out, Mr. Chairman, those are impressive figures, and they indicate clearly that those people who are being brought to this country are successfully integrating themselves into Canadian life. They are not putting other people out of work because every time they buy an automobile or an electrical appliance or a home, they are giving work to some Canadian people who are already established here. I do not, therefore, fear too much any large scale immigration, so long as it is brought about under careful screening arrangements and a carefully selective policy.

Something has been said about discrimination, and the Chinese have been mentioned. I have had quite a lot of experience in this matter, and I want to preface what I have

to say about it with this remark. Taking it by and large, the Chinese people of this country are good citizens. I have found nearly all whom I have met good Canadian citizens. They are ready to take their responsibilities. I know the problem the minister is facing, but I do believe that on some occasions too little attention has been paid to the sworn statements purporting to establish relationships between prospective Canadian immigrants and Canadian citizens who have been in the country for many years.

I know something of the problems involved, but I keep coming back to the pertinent fact that in these things we are dealing with human beings who have just as poignant feelings, deep and tender emotions, as we have even though their skins may be a different colour. There are many borderline cases, difficult to handle. I know it is difficult, under present circumstances, to establish true relationships between the applicant for entry into Canada and Canadian citizens already here, but they are not so many in number. I believe because they are not so numerous we might perhaps relax a little bit in connection with some of these cases and allow the children to come in.

I know of cases, for example, where the wives of Canadian citizens remained in the old country, and when the communist revolution took place they went through untold suffering. Actually, some of them did adopt the children of brothers and sisters who were killed in the communist coup. In all respects it would seem to me that these children belong to the mother who took them, cared for them, and adopted them. It does seem to me that in the few cases that could be clearly established, even though those children may not be under the age limit, we could relax the act. I believe it would be wise to strain a point and let them come in with the mother and father and keep together. I believe they would make good Canadian citizens. As I say, they are so few in number, it would not complicate our problem here very much, if at all. Even though in their great care to fulfil the letter of the law I feel the departmental officials, in some cases, have been too discriminatory, nevertheless I have always found the immigration officials ready and willing to re-examine the facts. I have discovered that, and I want to pay that tribute to them. They have always been ready and willing to re-examine facts and, it seems to me, they have done a good job.



I do not want to take too much time because I realize we want to get to the end of this session. However, I would have liked time to refer to the Indian problem at some greater length, because I believe there is a real problem, and I would say only this to the minister, that that problem is in connection with band autonomy. I am sure he realizes that problem.

Some things have been said about granting Indian bands full autonomy, to determine who should be the members of bands and who should not. This matter is full of repercussions and dangers, and just how to handle the situation is not clear to me. I am afraid I cannot advise the minister on that point. I am sure however that it is something that will engage his attention because, now that bands are coming into some wealth—oil and other mineral wealth —it seems to me there is the inclination all too frequently that, in their exercise of autonomy, bands will try to limit their numbers unreasonably so as to make it possible for each member of a band to have more wealth.

That is a problem that will have to be faced. As I have said, I have not been able to determine just how it will be done. I would however ask that the minister give it his consideration, because it is a real problem.

**Mr. Herridge:** Mr. Chairman, like the hon. member for Kamloops and others who have spoken, I regret that these important estimates have come so late in the session. It is a question of too little and too late—too little time to discuss them and too late to take advantage of that time.

I must say, in line with what some others have said, I am an immigrant. My parents were farming people in England, who came to this country and nearly froze to death on the prairies. Then we saw some magnificent advertising about British Columbia, the Kootenay country—apple trees in bloom halfway up the mountain. And when we got there, there were no trees in bloom, in fact no apple trees. I remember my father purchasing some settlers' effects in Winnipeg, and there was included in those effects 200 feet of inch-and-a-half rope to pull the trees down. Well, we spent a lot of our money, but fortunately for us, some of our relatives died in England, and we survived that rather difficult period.

I do think the present unemployment situation and the criticism from various places indicate certain weaknesses in the government's immigration policy. Let me say before proceeding further that I realize fully the difficulties of the minister's task.

People have a habit of rising in the house and asking for a vigorous immigration policy, and then of rising again and complaining about unemployment. I realize that, and I hope that in what I shall say I shall be strictly logical. However, growing dissatisfaction seems to be indicated by the representations made by municipalities, which representations, I am sure, the minister has received. It is indicated by the growing concern of trade unions and of certain Legion branches in some areas. It is also indicated in the correspondence received by members of the House of Commons—and in this connection I shall refer to one or two items.

I have here a telegram dated May 17 from the association of Kootenay municipalities which, I have no doubt, the minister also received. This organization represents 20 municipalities, and the telegram indicates that they are very much concerned about the unemployment situation, and the fact that unemployed immigrants were causing these municipalities certain expense. This is the telegram I received:

> The association of Kootenay municipalities respectfully suggest that the federal government immediately restrict that immigration which will in any way aggravate the unemployment of Canadian citizens.

And this is signed by Roger N. Chester, secretary. That is an indication that municipalities are experiencing some difficulty because of unemployed immigrants.

Then the Ottawa *Journal* of April 27, 1954, carried the following heading: "Sault Claims 1,000 Immigrants on Relief". The first paragraph states:

> An angry city council blasted the federal government last night for an immigration policy which it said had dumped 1,000 penniless and jobless immigrants on its relief rolls.

And it goes on in a similar vein.

Then I have here an article from the Nelson *Daily News* of April 17, 1954, under the heading "Employment of Destitute Immigrants by Works Projects Urged at Legion Meet". The article goes on to say that the East Kootenay Canadian Legion zone meeting discussed the plight of hundreds of immigrants who are now destitute from unemployment, and asked that the federal Department of Public Works undertake projects to relieve that condition.

I also have here an article from the Kootenay *Free Press* published in Trail. It is dated February 18, 1954, and carries the heading "Rain Soaks Jobless Immigrant's Hovel". It describes an immigrant living in a hovel made from lumber scantlings and cardboard.

And here I have the article which appeared in the Ottawa *Journal* of June 23, and to which the hon. member for Rosetown-Biggar referred, bearing the heading, "Jobs for All in 48 Hours Lure to German Immigrant." The item goes on to explain that this immigrant considered that Canada was oversold to him.

I believe this does indicate some lack of planning in respect of our immigration policy, and a certain lack of realism as to what the situation may be in Canada a few months ahead.

In addition to the criticism of the over-all policy, I find considerable criticism of the policy in respect of immigrants for farm work. This was discussed when the estimates of the Department of Labour were before us. It would seem that these people are pretty well coached in Europe. Some who are unsuited for farming say that they are coming to Canada to farm. They receive assistance, and then apparently they go into industry shortly after arrival.

There is considerable opposition from trade unions to the bringing of immigrants from Europe by railroad contractors, where these immigrants would find work on the railroads, where no collective agreements exist, and where they can be employed at lower wage scales and under poorer working conditions than exist where collective agreements are in effect.

I intend to ask some questions concerning a matter raised by the hon. member for Winnipeg North. However, as it is now one o'clock, perhaps I might be permitted to resume after lunch.

**Mr. Harris:** I am in agreement with my hon. friend, but I am wondering if we could shorten the lunch hour by making it two o'clock instead of two-thirty.

**The Chairman:** Is it agreed that the lunch-hour adjournment shall end at two o'clock instead of two-thirty?

**Some hon. Members:** Agreed.

At one o'clock the committee took recess.

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The committee resumed at two o'clock.

**Mr. Herridge:** In continuing my remarks, Mr. Chairman, I want to deal briefly with a question that concerns the members of this group and I am sure a good many members of the house and a good many Canadians. Because there may be wives and children involved in these cases I am not going to mention names, I shall simply say, Mr. So and So.

*Supply—Citizenship and Immigration*

Earlier in the session the hon, member for Winnipeg North asked certain questions in the house as follows:

1. Are any French nationals now resident in Canada who have been convicted in the French courts of treason or of collaboration with the German occupying forces?

A. Yes.

2. If so, how many and who are they?

A. The department knows of the following:

Five names are mentioned. I continue:

3. How many, if any, entered the country illegally and have now been permitted to stay?

A. All the above named. Copies of the orders in council under which they were landed were tabled in the House of Commons on the 11th day of March, 1949.

4. How many have applied for Canadian citizenship?

A. Four.

5. How many have been granted Canadian citizenship?

A. Three.

Another set of questions was asked by the hon. member for Winnipeg North as follows:

1. When and how did . . . . . enter Canada?

A. On December 1, 1946, as a non-immigrant. As the House of Commons was informed on March 2, 1949, . . . . . was granted a landing under authority of order in council P.C. 2920, dated June 29, 1948.

2. Was he, at any time, an inspector of the Waffen SS?

A. Information not available.

3. Has he been sentenced in any French court for treason?

4. If so, what was the sentence?

A. He was sentenced to death in absentia by a French court of justice as guilty of having had dealings with a foreign power with a view to encouraging the undertakings of that power against France.

5. Has . . . . . been granted Canadian citizenship?

A. Yes.

In dealing with this subject I want to draw the attention of the committee to the section of the Immigration Act dealing with prohibited classes. Section 4 (1) (d) says:

persons who have been convicted of, or admit having committed, any crime involving moral turpitude.

These are the persons who are prohibited from entering Canada. Then again clause (r) reads:

(r) persons who have been found guilty of high treason or treason or of conspiring against His Majesty, or of assisting His Majesty's enemies in time of war, or of any similar offence against any of His Majesty's allies.

Section 10 of the Canadian Citizenship Act reads:

(1) the minister may, in his discretion, grant a certificate of citizenship to any person who is not a Canadian citizen and who makes application for that purpose and satisfies the court...

[Mr. Herridge.]

And so on.

Paragraph (b) reads:

(b) he has been lawfully admitted to Canada for permanent residence therein;
(d) he is of good character.

In view of the law we cannot understand how these people were permitted to stay in Canada and how they were granted Canadian citizenship. We have in our possession copies of the judgments of the French courts, which were sent to us from Paris. I am not reading the judgments, but I am going to read a couple of lines with respect to the sentences in each case.

**Mr. Harris:** Which case?

**Mr. Herridge:** In fairness, Mr. Chairman, as I mentioned before, I do not want to give the names. I will send the minister my slip when I am through. The part of the judgment in the first case reads as follows:

. . . found guilty of anti-national actions against France, sentenced in absentia to imprisonment at hard labour for life and to national degradation for life, July 3, 1945, by the court of justice of Agen.

In the second case:

. . . sentenced to five years imprisonment and to national degradation for life by the court of justice of Toulouse for collaborationist sentiments.

In the third case:

. . . sentenced in absentia to the death penalty and forfeiture of all his property for treason, January 10, 1945, by the court of justice of Toulouse.

In the fourth case:

. . . sentenced in absentia by the court of justice of La Haute-Savoie to imprisonment at hard labour for life, national degradation for life and forfeiture of all property, February 26, 1946, for collaboration with the enemy.

In the fifth case:

. . . sentenced March 28, 1945, in absentia to death as guilty for dealings in time of war with a foreign power with a view to encourage that power against France.

Inspector Waffen S.S.

That means he was serving the German gestapo very well indeed.

These men entered Canada under false names, with false passports, and were provided with false visas. I might say that a high French government official stated they belonged to an organization who murdered the French minister, Georges Mandel, in the forest of Fontainebleau, massacred resisters, and betrayed allied parachutists who were hidden by brave Frenchmen who were shot. Some of these parachutists may have been some of our own men.

Canadian citizenship is a very valuable possession that should be granted only to persons who qualify according to the law.

When I was speaking on this question I could not help remembering the remarks of

the Minister of National Health and Welfare in 1946 when he was introducing the Canadian Citizenship Act. I recall them vividly because I always take pleasure in listening to the organ-like cadences of the Minister of National Health and Welfare. On that occasion he pulled out all the stops and the pedal fortissimo. I want to read a portion of that speech as it appears in *Hansard* of April 2, 1946, at page 505. This is the Minister of National Health and Welfare, who was then the secretary of state, speaking:

> But there is no finer club in the world so far as we are concerned than the club that I would characterize as the Canadian family. We should want, therefore, to impress upon new Canadians whom we shall welcome and want to share in our national endeavours that they are joining no mean society but a society that will give them freedom and an opportunity perhaps that they have not had in other lands, and at the same time to point out to them the nature of the obligation undertaken and tell them something of the kind of country and the kind of general political basis of the Canadian society itself.

And then again the minister on page 502 of the same volume:

> For the national unity of Canada and for the future and greatness of this country it is felt to be of the utmost importance that all of us, new Canadians or old, have a consciousness of a common purpose and common interests as Canadians; that all of us be able to say with pride and say with meaning: "I am a Canadian citizen."

I am sure every hon. member of this house, Mr. Chairman, agrees with those sentiments. But we cannot understand how those sentiments can be given expression by a minister of this government when we find the sort of people I have mentioned being permitted to enter Canada and being granted citizenship in this country. The government of which the hon. gentleman is a member saw fit to grant citizenship to persons who have proved traitors to France, traitors to our cause, traitors to all we hold most precious and sacred, and traitors to the ideals upon which Canadian citizenship is based.

Those people now have the right to say, "I am a Canadian citizen." We in this group strongly protest this action and while I am not one of those who wish to see the death penalty imposed upon any person, I think that this government, when it discovered those persons were in Canada and had entered illegally, ought to have been told, in view of their records, to depart to more suitable places as Count de Bernonville did. There is no place in Canada, Mr. Chairman, for people who have proven themselves so untrue to all the things we stand for.

Now, Mr. Chairman, I am quite sure investigations were held by the proper authorities in the immigration branch and by the R.C.M.P., but if there were, I am afraid they must have listened to the romantic tales told by those people. We think this house is entitled to an explanation of the reason why these people were given citizenship and allowed to stay in Canada. I am of the opinion that the minister was not told the facts by some of his officials before these decisions were made. We all have great respect for the minister, and while we differ with him on occasion I am quite sure he is very anxious to see that we have the right type of people coming to Canada, and obtaining citizenship.

The minister comes from a very fine Canadian family. He served with distinction in the second world war, and I am quite sure the hon. and gallant member must feel somewhat uncomfortable when he realizes that his department has made it possible for persons who were traitors to France and traitors to Christian civilization to say now, "I am a Canadian citizen."

I hope, Mr. Chairman, that the minister will make some explanation to the house of this most unseemly procedure. I could give some other cases but we have not yet received the documents. However, these are not isolated cases and they are more extensive than appears on the surface.

I am confident that our immigration service overseas is not all it is supposed to be, not only with respect to matters brought before the house this morning by the hon. member for Rosetown-Biggar, but also with respect to the glowing picture with which immigrants seem to be presented. The service does not appear to make certain in all cases that the people we admit to this country are people who can become good Canadian citizens and subscribe to our democratic ideals. In my opinion the minister would be well advised to go to Europe personally and visit some of his own immigration offices and see what is happening there.

I support some of the remarks made by the Leader of the Opposition and other hon. members who have spoken in this debate to the effect that there is not effective screening of some people who come to Canada at this time. I realize there are difficulties and even though there is careful screening some unsuitable people are bound to slip through the screen; but we are of the opinion that not enough attention is being given to stop that type of person.

I have had several questions brought to my attention recently, and indeed one of the managers of our national employment service brought to my attention the arrogance with which a former SS man treated him because he could not give him a job immediately. I can also tell you of an experience I had

recently with another immigrant. I spoke to this chap because I am always interested in finding out how they are getting on, and I said to him, "How do you like Canada?" He said, "Well, not too much". I said, "What is wrong?" and he said, "In Canada you say 'Uncle Louie' and in Germany we say 'Herr Adenauer' ". I said, "What else is wrong?" and he said, "In Canada when a Canadian soldier is in a restaurant and a Canadian officer comes in he goes on eating. But in Germany when a German officer comes in a soldier stands up, salutes, and opens the door". Then I said, "What else?" and he replied, "Too many Jews in Canada. Hitler fixed them". I did not want to get upset with the man but I hope he will change his ideas after living here some time. However, that shows that we are getting people into Canada who, after all that has happened in recent years, have not any idea of what we stand for in this country. Certainly there are hundreds of thousands of good German people anxious to come to this country who want to live under improved conditions and accept our democratic way of life. But I do not think it is necessary to bring to this country people who still adhere to the philosophy of those who saw fit to join the German elite guard and SS troops. Now, that is all I am going to say in this connection.

I say these things with conviction and feeling because Canadian citizenship means something and it is something we should extend to people who in accepting it realize they are accepting one of the most valued citizenships in the world. I might add that the conversation with the man about whom I spoke was held in the presence of the widow of one of the finest men who ever lived in Canada, a man of Jewish descent and who died 10 years ago from his war disability.

Now, Mr. Chairman, I leave that subject at that point, and I now want to say a few words on our general immigration policy. I think that in certain aspects our policy, other than the policy for screening, is unfair to Canadians and unfair to the immigrants. I do not think we should bring in immigrants unless we are certain they are going to be placed in employment and are not going to compete with Canadians for already scarce housing. The present unplanned policy is unfair to Canadians and the immigrants concerned. It is now providing competition for employment and for scarce housing. We recognize our national responsibility to help ease the tremendous burdens created in Europe and other countries, and we think we have got to do all we can to provide homes for those people who need them. That is why the C.C.F. party has continually urged a certain program with respect to immigration. That program is an assurance that standards of employment, wages, hours, and conditions of work of immigrants shall not be less than those in effect for other Canadians. Careful preparation and planning to ensure that houses and jobs are available for those who come and that the livelihood and living standards of our present population are not threatened. Also, non-discriminatory selection of immigrants from all countries and categories subject only to the limitations of a planned immigration scheme. Our immigration policy should provide for the bringing to Canada of as many desirable immigrants as can be absorbed into our economy without creating unemployment or intensifying the housing shortage.

We should also make very certain that no undesirable persons are allowed into Canada or obtain Canadian citizenship. As I said before there are multitudes of good people from other lands who would make excellent citizens in this country. I also think we should stop bringing immigrants to Canada to work on contract labour on railroads and projects like that where there are no collective agreements and on which they can be exploited and employed for less than persons employed for that class of labour generally receive.

Now, I want to make a plea for the admission of certain persons who are relatives of Canadian citizens of Chinese origin and I would like to make that plea as vigorous as I can. I realize some of these people have been admitted to the country and permitted to obtain citizenship. I might say that I had a long association with many excellent Canadian citizens of Chinese origin. They never become charges of the state and never ask for any government assistance. That fact is recognized across this country. They live in peace and harmony with other residents and have become essential ingredients of many communities in Canada. I urge the minister to give serious consideration to the brief presented by the Chinese benevolent association in which they ask for an easing of the regulations. As a matter of fact, we are showing discrimination against certain Canadian citizens, namely these Canadian citizens of Chinese origin, East Indian origin and other origins. We are treating them differently from the way in which other citizens in Canada are treated. This brief asks for consideration of certain important things. I am not going to take the time to deal with them at the moment. I am sure that the minister has gone over the subject carefully.

I urge that the representations of these excellent Canadian citizens of Chinese origin be sympathetically considered by the minister and his department.

**Mr. Dinsdale:** Mr. Chairman, it would appear that the committee is endeavouring to complete today consideration of this extremely important department. I therefore will not hold up matters unduly. However, I think it is unfortunate that we are pressed for time in considering such an important subject as the one that is before the committee at the present time.

The whole problem of immigration is one of the most complex ones that could be considered today because it deals with the subject of population movements. The movements of population have a vitally important bearing upon the delicate and difficult question of international affairs. Immigration is a matter that is extremely vital to Canada because, with the exception of a few North American Indians and Eskimos, all of us in this country are either immigrants or the descendants of immigrants.

Since the war there has been an increasing emphasis on the necessity for increasing our human resources just as rapidly as possible. In the discussion today other hon. members have referred to the present change in attitude with regard to immigration arising from the unemployment situation of the past winter. As a result of the changing economic circumstances as our post-war boom tends to settle down, we find that there have been extremes of optimism and pessimism expressed in regard to the problem of immigration. We still see rather extravagant prophecies as to the population potential of Canada for the immediate future. On the other hand, there are those who recommend a severe tightening up on the influx of new citizens by the process of immigration.

Coming as I do from the western part of Canada, I tend to side with the more optimistic viewpoint. Perhaps that is because we in the west are continually faced with the wide open spaces and it becomes almost inevitable that the westerner leans toward an optimistic attitude with regard to population prospects for the future.

In a newspaper comment which dealt with the observance of 40 years of political activity in this country by the Minister of Agriculture I was interested to read that, in summing up that long experience in the public life of his country, he stressed—and stressed it strongly—the need for a larger population. Then yesterday the hon. member for Rosthern, speaking on the subject of the Saskatchewan dam, also dealt with the population problem from the western point of view. In Manitoba we have reached a provincial population of 790,000. In that vast geographic area a population of 790,000 is merely the proverbial drop in the bucket. I can understand why the Minister of Agriculture and other hon. members on the government side of the chamber are leaning strongly towards the need for a rapid increase in population resources within the restrictions of the ebb and flow of the economic situation. The only final solution for our western problems, of course, is an expansion of the domestic markets by means of population increase.

All that is merely by way of introduction. We could spend a long time in discussing many of the points that have been raised. The fact that they are so numerous and so complex merely indicates that there is a great need for a comprehensive consideration of this important subject of immigration. Such a comprehensive consideration of the subject is not going to be possible today nor, unfortunately, has it been possible since I came to the House of Commons in 1951. Perhaps some time in the not too far distant future there might be provided an opportunity to come to more realistic grips with this subject which has so many facets and which has such great significance for a young, developing and expanding country such as is our Dominion of Canada.

I have endeavoured to look back into the record of Canadian immigration in the past since confederation. So far as I can see, there has never been an aggressive policy carried out in this regard. Since we became a nation, the tendency has been to drift with the tide and to proceed on the basis of a stop-and-go policy. As far as the historical record indicates, there has been a general lack of imagination and vision. The immigration influx from time to time has been determined more by circumstances outside of Canada than by vigorous action from within. There is a possible exception to that statement in the movement of immigrants into the western plains when they were first opened for settlement. But the other great periods of immigration have been largely the result of circumstances beyond the shores of Canada. An example of such a period is the post-world-war I period when, owing to disturbed conditions in Europe, there was a large influx of new citizens into Canada. Then along came the depression and up until 1947 or 1948 immigration remained comparatively static. In the report of the minister of mines and resources—under which department immigration was handled in those days—for the fiscal year ended March 31, 1938,

at page 234 I was interested to read the following statement, which indicates that even during the depths of the depression the officials responsible had a somewhat guilty conscience concerning our half-hearted immigration program. The report says:

> Were it not for the fact that the Canadian public has become accustomed to small immigration returns from year to year the statement now published that Canada, with its vast territory and immense natural resources, received last year only 1,300 newcomers per month would be a matter of comment, having in mind the contribution that immigration has made to the opening up of the dominion in the past.

That state of affairs persisted, as I have indicated, until 1947. Then because of external pressure, again in the first instance largely arising from the refugee problem created by world war II, the government of Canada reluctantly moved into more active immigration again. As you read the debates of the house on immigration in the immediate post-war years or in the last two years of the war, 1944, 1945, 1946 and 1947, you see there was a growing demand that Canada do something regarding the very urgent problem of the millions of refugees who had emerged out of the war situation. I came to the conclusion that members of parliament expressing public opinion were away ahead of the government with regard to the problem of displaced persons. As the result of the urgings of members, action was finally taken in 1947 and since that time we have had a fairly aggressive immigration program. However, I cannot help but comment that as the result of this historic reluctance to act in an aggressive manner, which has been characteristic of Canadian immigration policy right from the beginning of confederation, we missed out on a good many excellent potential Canadians. We missed out on a large number of refugee children, and I cannot help but think that if we had adopted, on a permanent basis, with respect to refugee children a policy similar to that which was adopted in the early years of the war when children were evacuated temporarily from the United Kingdom because of the spread of aerial bombardment, we would have made a great humanitarian gesture, a gesture that would have paid off in rich dividends in the future.

That is water under the bridge, but I refer to that situation because it is still typical of the attitude we find prevailing with respect to immigration policy at the present time. There is a lack of broad imagination and vision, although as the result of public opinion and parliamentary pressure we are beginning to move forward.

[Mr. Dinsdale.]

There is another aspect of immigration which interests me. It seems to me that we have largely ignored humanitarian considerations in our immigration program. The fact that we have waited for external pressure, instead of initiating any aggressive program in the past, is indicative of this situation. Our attitude towards deportation, which was outlined by the Leader of the Opposition and other speakers in this debate, is also typical of the lack of humanitarian concern. I think it is extremely unfortunate in view of the world situation in this mid-twentieth century period. There might have been some excuse for such an attitude in the past before the international concept of human activity emerged, but today we are forced to consider the age-old questions: Am I my brother's keeper? Who is my neighbour? Belief in the inherent inferiority and superiority of various races was fairly widely accepted even in Christian countries, notwithstanding the biblical dictum that He hath made of one blood all nations to dwell on the face of the earth. That belief in inherent inferiority and superiority was more or less generally accepted a few decades ago. But fortunately these ideas are tending to disappear under the pressure of circumstances as we are forced to rub shoulders more closely with the representatives of the various nations of the world.

Other members speaking today have referred to the broad principles and policy under which Canadian immigration is carried on, and I am not going to repeat what has already been said. I think all members of the house would agree that there must be some process of selection, on an ethnic basis, if you wish. You must keep out obvious undesirables, criminal types, mental incompetents and so forth, and the economic factor must be considered. But I am going to raise once more a subject that has been dealt with by almost every member who has spoken today, the question of the obvious discrimination towards Canadian citizens of Chinese origin. I feel that the legislation on our statute books respecting immigration is a carry-over from an attitude of mind that should have disappeared in our twentieth century civilization. I am not going to go into details concerning the Chinese problem, but it seems to me that the principle enunciated in the house on June 28, 1951, as recorded at page 4863 of *Hansard*, has not been applied as broadly as it might have been under the circumstances. At that time

the minister, who had been questioned on a problem of the immigration of dependents of Canadian citizens of Chinese origin, said:

Having in mind the present situation in China—

He was referring of course to the political disturbances there.

—and the known desire of parents to have their children with them, we have come to the conclusion that we will give consideration to those cases of unmarried children over twenty-one up to the age of twenty-five, to see if the circumstances warrant their admission on the grounds I have stated.

On the grounds of hardship.

Now, that was a very encouraging announcement, because ever since the disturbing events on the Chinese mainland the problem of the movement of dependents of Canadian citizens of Chinese origin has become increasingly urgent. I find that in application, however, of this broader principle, it only applies to those who are the remaining survivors of the family on the mainland. If there is any other member of the family still resident within China, no exception is made in the 21-year limitation for unmarried children.

This has resulted in a problem that was inevitable. The children of Canadian citizens succeed in getting to Hong Kong, which is the jumping-off point to Canada; and, because of the narrow application of the regulation, that is as far as they get. I understand the brief from the Chinese benevolent society indicates there are some 6,000 of them in Hong Kong waiting permission to join a father, in most cases, because the Chinese population in this country has tended to be largely a male population, owing to earlier policy in regard to their admission.

Perhaps I could emphasize the problem by just giving broadly one or two cases. I am interested in two cases in which the children are between 21 and 25. One is the son of a Chinese laundryman who is alone, and looking for someone to take over his business. The other is the son of a Chinese Canadian restaurant owner, who again is alone and he is quite willing to sponsor his son. He is quite willing to assure the son will not become an economic liability, and to comply with all the other demands of our Canadian immigration policy. The only reason both children are not admissible is that there are relatives still remaining on the mainland. They are in Hong Kong. They cannot go back to the mainland on pain of death. I do not believe they would be too popular with the present regime there, and they cannot go forward because of the regulations. This does constitute a humanitarian problem of some considerable proportions.



I do not believe we need to labour that point any further. But it seems to require the sort of action that was finally taken in the immediate post-war years in dealing with the refugee problem in Europe. When the Canadian government finally did get under way, after pressure from parliament and public opinion, a tremendous job was done, but many lives were lost and much suffering was caused because we delayed our action in that regard.

I said that most members of the house agreed broadly with the present policy of the department of immigration. If there is one query I would raise it is the seemingly arbitrary power of the officials of the department. In order to assure flexibility in immigration affairs, it seems that officials of the department, by means of order in council, can almost control the immigration situation as they wish. This fact is illustrated in so far as deportation matters are concerned where the officials, without recourse to the normal channels of justice, can arbitrarily deport immigrants from this country.

There is another query that comes to my mind, and I have endeavoured to gather some information on this very complex problem. At the moment it would appear that the occupational categories are being strongly stressed with reference to the movement of immigrants from Europe. The categories that are being stressed are those of domestics and agricultural workers. In looking at the statistics for the past two years, 1952 and 1953, this has resulted in a rather substantial influx of immigrants from Holland, from Germany and from Italy. In endeavouring to obtain information on this matter, I find that the reason these categories apply to these particular countries is the obvious reason that they are more amenable to the work of domestics or agricultural workers. I find, looking at the statistics for immigration from Greece for 1952, we have 1,691 and for the calendar year 1953, we have 2,059.

I happen to know there is quite a strong demand for a less restrictive policy in regard to immigration from Greece. It seems to me, Mr. Chairman, that the Greek situation would be comparable to the Italian situation so far as domestic and labour requirements were concerned. The answer seems to be just the reverse, that the Greeks do not adapt as readily in this country as do the Italians. There are Greek citizens in Canada already who, it would seem, have made a very successful adjustment to their new life in Canada. Notwithstanding this occupational factor, I have discovered that it is not compulsory for an immigrant to remain indefinitely in domestic or agricultural work. In fact,

the period of service at the maximum, I understand, is one year, and on the average the immigrants from those countries stay on the job to which they are originally sent for a period of some two months. There would seem to be other factors involved than the straight occupational requirement. Unfortunately, that is as far as I got with the inquiry because, as I say, it is a matter of policy, and nothing further could be said on the matter.

Other members want to have something to say in this discussion, so I should like to conclude by suggesting that a topic of such importance as immigration, connected as it is with the general problem of population and human resources of this country, should receive wider consideration by this house than it has in the past. During my first session here in 1951, amendments were introduced to the act. They had been passed before I was aware they were before the house. In 1952, when the new act was introduced, the experience was exactly the same. I would very strongly suggest that we would have a more realistic immigration policy if members were brought more closely in contact with the scheme of things. All these divergent viewpoints created the belief that immigrants are a threat to the workers in this country. On the other hand the urgent demand of the west for larger population can be reconciled only if members have an opportunity to gather all the information and data involved and then, on the basis of that information, determine the policy that is best for this country.

I do not think such an important matter should be left entirely in the hands of officials of the department. I realize that we are having almost a full day's debate on the subject, but I wonder if what has been said in this debate by hon. members will have much effect in changing the present attitude towards some of these urgent problems to which reference has already been made.

I feel, Mr. Chairman, that, just as in the immediate post-war years, when we had a refugee problem to contend with, and there was a tremendous pressure of population in Europe, the people of Canada would be only too willing to make a maximum effort in assisting to solve this problem. Likewise I feel that if, through their elected representatives, the people are taken into the confidence of the department, and are allowed to have the necessary information, rather than simply be told that a certain person is inadmissible on grounds that cannot be revealed, we shall be able to come closer to a reconciliation of the pessimistic and optimistic viewpoints in these matters.

[Mr. Dinsdale.]

In the past the people of Canada have been ahead of their government in their thinking, so far as this matter is concerned. They have responded, when they have been called upon to respond in connection with the solution of very urgent population problems in the world. They would respond today in a similar manner if they had the opportunity to do so.

**Mr. Noseworthy:** Mr. Chairman, I am sure all of us appreciate the minister's difficulties in the matter of immigration at the present time. While I think most Canadians agree that a few million people cannot expect to hold half a continent indefinitely, while other countries in the world are crowded, and while most people are agreed that it would be in the interests of the over-all Canadian economy that we have a larger population to share our tax burden, our transportation charges and the like, the question becomes involved and one about which there is a great deal of disagreement when we run into a period such as we are facing at the present time.

So long as our economy was expanding, so long as there was full employment, so long as skilled mechanics were needed, industrial workers were needed and labourers were needed, the Canadian people generally welcomed immigration. But today, with several hundred thousand Canadians unemployed, and with limited housing accommodation, the people of Canada by and large resent the influx of large numbers of immigrants. During a period of unemployment trade unions across this country are questioning the right of the government to bring large numbers of immigrants to the country at this time, thus swelling the army of unemployed.

People who find difficulty securing housing accommodation often resent the fact that new Canadians can obtain housing, or occupy housing, the supply of which is very limited. The influx of large numbers of immigrants at a time such as this does not lend itself to the creation of a spirit of friendliness as between Canadian citizens and new Canadians, nor does it do anything but stir up trouble and difficulty.

Much as we need a larger population in this country, the first responsibility of the government, if it is to supply that need, and if the government is to admit large numbers of people to this country, is to take measures to see that employment is available, as well as housing accommodation.

There are certain sections of the press and certain interests across Canada that are clamouring for more immigration. Those

same sections of the press and those same interests are generally decrying the fact that industrial workers are receiving too much money. They are decrying the fact that costs are going up, and they attribute the rise in those costs to the rising wage scales.

There are many special interests involved in bringing immigrants to this country. I would think that one of the minister's difficulties, one he must guard against in the interests of the whole country, is that he must see to it that the immigrants brought to this country are not brought here by any special interests, to serve those interests primarily. What we want in this country are immigrants who will become good Canadians, who are brought here for that purpose, and are not brought here for the purpose of serving any particular interest.

I suppose we have always been faced with the problem of employers interested in immigration for the sake of getting cheap labour. We have that class of employer with us today, and I am quite sure the minister would be the last person who would want to encourage immigration to serve special economic interests and to reduce the scale of wages for Canadian workers. It does not matter what that special group is, whether it is a religious group, a national group or an economic group, if that group is particularly interested in bringing immigrants to this country for the purpose of furthering the interests of that particular group, then I think the minister has to be on guard. We do not want this country filled up merely for the sake of filling it up with immigrants who are brought here to serve any particular interested group. As I have said before, in the interests of Canada, we want immigrants who will become worthy and loyal Canadian citizens.

I have a few special problems that I want to bring to the minister's attention. They are of a general nature and I think had better be brought up at this particular point. I have already spoken of employers bringing immigrants into this country for the sake of reducing our wage scale. Since early June I have had on the order paper a series of some thirteen questions, which were made an order for return a week ago, but the answers to which I have no hope whatever of receiving this session. These questions relate to one employer, the R. F. Welch company. Among other questions on the order paper, which probably the minister can answer today, are these: What arrangement, if any, has the R. F. Welch company with the department of immigration for the purpose of bringing immigrant workers to this country? Is my information correct that this particular company had an office established in some European countries, offices established on the maritime coast and offices established in the Union station at Toronto, next door to the government's own department of immigration? What is the nature of the contracts under which these workers are brought in by that company?

My information is that the immigrants brought into this country by that particular company are brought to work first of all on the Canadian National Railways. I am informed by trade union organizers that these newly arrived immigrants stay but a short time on their first job, and then are replaced by a new batch of immigrants. I am informed by the general chairman of the brotherhood of maintenance of way employees of the Canadian National Railways that the Canadian National Railways itself has been evading the order of a labour relations board, dated November, 1951, by transferring these newly arrived workers to the R. F. Welch company for payroll purposes, instead of keeping them on the Canadian National, and consequently are keeping these men employed at much lower rates than the rates fixed in the contract entered into with the workers union.

That is one problem I want to call to the minister's attention. Another complaint I get is that certain employers are able to persuade newly arrived immigrants that if they join a trade union, or participate in trade union activities, they will be deported. I should like the minister to tell us that personally. I doubt if anyone—

**Mr. Harris:** May I say at this moment I never heard of such a matter from anyone, and if my hon. friends know of any trade unions who have that complaint, will they please send it to me and talk about it with me before they bring it up here in this house. I have no objection to my hon. friend speaking, of course, but it is really unfortunate that we now hear for the first time of complaints that I have no opportunity to investigate.

**Mr. Noseworthy:** This whole matter can be cleared up with a statement from the minister to the effect that no one is ever deported from this country because he joined a legitimate trade union or participated in legitimate trade union activities.

**Mr. Harris:** I say that unhesitatingly, and if anybody suggested that that should be so I would oppose it in this house.

**Mr. Noseworthy:** I am very happy to have the minister put that statement on the record.

I have one other question to raise with the minister regarding immigration. It is one that I have dealt with on other occasions. I am merely going to ask the minister to tell us what action, if any, the government has taken or proposes to take as the result of the brief presented to him during the latter part of April by the Negro Citizenship Association on behalf of immigrants from the West Indies, those British subjects who, by regulation of the immigration department, are not British subjects and cannot be classified as British subjects for immigration purposes. What consideration was given to that brief? I shall not take the time of the committee to put the points of that brief on the record. The minister has the brief. I merely ask him to comment on it.

**Mr. Michener:** I do not wish to repeat, and therefore I shall limit my statement as to the principles involved to an affirmation of my belief that immigration is desirable and necessary, and that its general effect is clearly to add to the sum total of employment, although in some places and at some time it may seem to have the opposite effect. The specific matters I wish to bring up are matters of practice and I do say that with some diffidence because my experience with the administration of the act is limited and these are impressions formed from that rather limited experience.

I appreciate there have been instances which perhaps have generated an attitude of over-caution if not suspicion in the administration of the act in order to be sure that the department is not deceived in enforcing the act and the policy of the government.

I would like to make a plea for a more sympathetic approach in certain cases. Those cases are the ones in which family relationships are involved. In the name of common humanity it seems to me that in these cases the utmost amount of sympathy should be displayed in the administration of the act. After all, the subject matter of the administration is human beings and not chattels or livestock. They are people who have family relationships and family feelings. I have in mind three different sorts of cases which will illustrate the type of approach I am suggesting.

First, there is the case of a wife in England of a Canadian citizen living in Canada and naturally she wishes to join him here. Her difficulty is a scar on her lung which naturally is a matter of concern from the medical point of view. After her case had been deferred for some time and being in great anxiety to be accepted she visited private doctors and was examined apparently to their satisfaction, but permission is still being refused. That is a case of family separation and a case in which if there is any doubt I think a decision should be made in favour of family unity rather than the converse.

Then another type of case involves the nephew of a Polish Canadian resident engineer of reputation and standing who will shortly become a Canadian citizen. This case illustrates what I have in mind and regardless of the merits of the case I think it makes the point. This Polish uncle in Canada has no children and he and his wife established here wish to bring their nephew in and adopt and rear him as their own child. He is not an infant. He was behind the iron curtain as a young man in his late teens and he was so anxious to join his relatives that he shipped as a seaman on a Polish freighter and when he got into an English port he jumped overboard and swam ashore. He is in England now and would like to join his uncle. They would like to have him here. That is another case in which there are family ties involved and in which it seems to me a little different approach is needed than the cold and mechanical application of the immigration rules.

The third type of case is that of the children of Chinese Canadian citizens. Their plight has been dealt with sufficiently today and I wish to associate myself with what has been said on their behalf. There are not many involved and it seems to me that if any error is to be made in these cases it should be made, in cases where family ties are involved, in favour of unifying families rather than keeping them separated. If it is a matter of tipping the scales then I suggest that in such cases the scale ought to be tipped if necessary. It comes down to humanizing what might, where large numbers of people are involved, deteriorate into mechanical administration.

Another point in the administration of this act which involves thousands of decisions in the course of a year is the question of admittance. Since we had 168,000 admitted last year I think it would be fair to suppose that an equal number or perhaps even more were interviewed and not admitted. I realize this is a great administrative problem but it seems to me, as one who has been accustomed to the determination of truth in the

open court where the parties are represented, that something of that procedure might well be applied to the department of immigration.

I am not well enough versed in the administration of the act to know whether counsel are allowed to appear with an applicant, but I do know in many cases it is difficult for the party involved to determine why a decision has been what it was. Very often if the applicant knew he could answer the objection, and it seems to me that what is in issue in these proceedings is of equal importance to the issues in criminal prosecutions or civil suits involving personal and property rights, and it warrants the same sort of treatment as a Canadian or foreign citizen can get under the judicial process.

Therefore, Mr. Chairman, what I suggest is that the minister, who is also a lawyer, should look into the possibility of regularizing the procedure in a way in which those parties who come before administration officers for a decision involving their admission to Canada know the basis on which a decision will be taken, have the right to be represented, and the right to know that decision so that the whole matter be dealt with as far as possible in a judicial manner.

**Mr. Nesbitt:** Mr. Chairman, inasmuch as the hour is getting late I trust the minister will excuse me if I make my remarks almost in point form in order to save a little time.

First of all, I would like to say that in my dealings with the officers of the department I have always found the minister and his officials most considerate and they have always looked into any matters I have had occasion to inquire about with courtesy and promptness.

On the question of immigration I think we all agree, as many speakers have pointed out, that we must have more people in order to develop our country, create more employment and more markets. But I think the method of obtaining these people might be somewhat altered. I should like to say at the present time that very many fine people have come into this country, and in my own riding we have a great many people from The Netherlands about whom I would like to say that they are just about as fine a type of citizen as we have got from any place.

In regard to the policy of immigration there are one or two suggestions I would like to make. We have heard a great deal during this session and within the last few days about seasonal unemployment in Canada, and this seems to take place mainly during the months of December, January, February, and March. I imagine this suggestion has probably been explored by the department but if not I suggest that the minister look into the possibility of this suggestion. I suggest that immigrants should be brought into this country in months other than December, January, February, and March if at all possible because during these months seasonal unemployment is at its worst and it simply makes it more difficult to absorb these people into jobs.

The next thing about which I should like to make some brief remarks is the matter of the secrecy in which a good deal of the departmental work seems to go on. I fully realize that in matters of screening people that are coming into Canada and the methods that are used to do this naturally must be secret and cannot be open to the public. But in other things I cannot see why this great secrecy must prevail.

As a brief example, may I say that I had a case recently where a lady came over from Germany under an agreement to marry a man, but when she came here she did not marry him. She did not wish to do so and I understand she intimated that she did not wish to do so because she did not think he had sufficient finances; and she was looking for another more affluent husband. That may or may not have been true. Those are the reports that I received. I looked into the matter rather carefully. The department investigated the matter and probably did so much more carefully than I did. I made some inquiries of the department through the deputy minister. I said I should like to find out the results of their investigation. In a letter received from the deputy minister on June 2 last the following paragraph appeared:

> You ask that you be permitted to see the reports obtained in this case with reference to the failure to marry. Departmental records are strictly confidential and it is therefore impossible for me to accede to your request.

As I say, in matters of screening for national security I can see that those reports must be confidential. But in matters like this I can see no reason for keeping it in confidence. There is a question in this particular case whether people suitable or not suitable are being brought into this country. I think in those matters, where national security is not at stake, that these reports should be open to people who are interested in the case and in particular to members of the House of Commons.

There is one other remark that I should like to make at this time. I should like to put this in the form of a question to the minister. He may be familiar with the

circumstances or he may not. It is a matter that aroused interest in western Ontario about a year ago or possibly a little longer. There were a great many reports in the newspaper at that time about German immigrants who were on farms, and about a large black car arriving, two or three people getting out and talking to the immigrant and the next day the immigrant had gone, lock, stock and barrel, or perhaps I should say bag and baggage.

**Mr. Harris:** I do not want to interrupt the hon. member, Mr. Chairman, but I think I can save him a great deal of time by saying that there was not a black car.

**Mr. Nesbitt:** Possibly it was a green one.

**Mr. Harris:** No. Just to settle the matter now, perhaps, and to save my hon. friend time, I might say this. All this difficulty arose because a black car with a Quebec licence, containing two immigrants, brother and uncle of the one in the hon. member's county, visited him on Sunday and he disappeared next day. The disappearance was blamed on this car.

**Mr. Nesbitt:** I am glad to hear that the minister has looked into the case and has investigated it. I am glad that is the explanation the minister received. However, I have had another explanation presented to me. Briefly it was as follows. Perhaps the minister would care to make a comment. I was told this as to a number of German immigrants who, I understand, had their passages assisted by the government on condition that they remain as agricultural labourers until such time as their passage is paid back. A number of them came over in those circumstances. I was told that certain manufacturers in various parts of the country—I understand from the province of Quebec in the textile industry—approached these people and agreed to pay off the amount they owed the government if they would work under a certain contract of labour for a period of time. These immigrants are told that if they break this contract they will be sent home. The purpose of this is that a number of people from Germany who were supposed to be agricultural labourers and really are not, got over here and got into factories where they wished to work and certain manufacturers, I understand, in this way obtained cheaper labour. As I say, I have had this report from two or three sources which I believe to be reliable. I have no factual information. I should like to put it to the minister in the form of a question on which he may wish to comment.

[Mr. Nesbitt.]

The next thing I wish to mention is the matter of citizenship. I should like to make a few brief suggestions on the methods of presenting citizenship certificates at the present time. I fully realize that in the county courts at the present time—at least in some of them; I know it is done in our own county—a local judge makes a nice little speech to these people. If that procedure were followed out all through the country I am sure it would be highly satisfactory. When people who come to this country receive their citizenship certificates, I think the duties and responsibilities of citizenship should be impressed upon them to a little bit greater extent than is done at the present time. I just throw this out as a suggestion. The minister might, once a year, make a tour through the country and appear at a number of places—or, if owing to his duties he was unable to do so, the chief justice of each province could do something similar—and present the new citizens with their certificates of citizenship and give them a brief address at the time, or possibly a not so brief address, on the duties and responsibilities of citizenship in this country. At the same time possibly a booklet could be issued on the Canadian way of life, and everyman's edition of our constitution and form of government. I think that would be a good suggestion because when these people get their certificates mailed to them, that fact fails to impress upon them the duties of Canadian citizenship. I think that a little bit more solemnity in the matter would probably be of considerable benefit.

I have two further brief remarks to make. The first is on the national gallery. I think the national gallery of Canada is doing a particularly fine job. They have a fine collection of paintings, particularly Canadian paintings. I should like to see more of the money that is spent on paintings spent on Canadian paintings. Among the paintings there is a collection of paintings by one of our first painters, namely Cornelius Kreighoff. The Tom Thomson collection is very good. If it were possible to get more of them, I think it would be better. When people from other countries come to the national gallery here, they want to see evidence of Canadian culture. While the evidence there is very good at the present time, nevertheless I think there should be more. If large sums of money are to be spent on the acquisition of oil paintings, I think at least a large proportion of it should go for Canadian paintings.

The reason I mention this matter is that I recall the acquisition of five paintings by certain European artists for the sum of

$360,000. I know the minister made some remarks about this matter some time ago, I believe at the end of last March. He said that these paintings were purchased for the purpose of illustrating certain periods of certain European schools of art. That may be all very well and good. But, as I pointed out, these pictures were painted by relatively obscure artists. There were five of them, and they cost a total of $360,000. That works out to about $72,000 apiece.

In this regard I refer to a news item in the Toronto *Globe and Mail* of Wednesday, May 19 last, which refers to the Toronto art gallery being robbed of a very famous painting. As a matter of fact, it was a world-famous painting called "Elevation of the Cross" by Peter Paul Rubens, who was certainly not an obscure artist. This painting was one of the more famous paintings in the world and it was valued at $30,000. I do not understand how these paintings by relatively obscure artists would be valued at $72,000 apiece. It is something that does not seem reasonable to me. Possibly the minister, when making his remarks, would care to give us a little bit of further information in this regard. I should be interested to know how these paintings were purchased. Was it by a private deal? Was it by public auction? Who did the purchasing and were any commissions paid? I think these matters are of considerable interest.

The last item I should like to mention or to which I should like to make a brief reference is the national film board. I think the work of this board has been very good in the past. Some of the movies, particularly the one "Stratford Adventure", as I believe it was called, is a particularly fine movie and I imagine that not only will it be a fine movie from a cultural point of view but probably it will be a money-maker, as I understand it is likely to be.

I should like to mention a play that has been written by Judge Eric Cross in our county and called "The Patriots".

He was formerly minister of municipal affairs for the province of Ontario, attorney general and also minister of education. He has had wide cultural experience and has done quite a bit of work in this field. This play, "The Patriots", is about Canada in the period from 1837 to 1848. It deals with the rebellion in Upper and Lower Canada. Robert Baldwin is the central figure and hero of the play. It deals with such famous people as Bishop Strachan, Samuel Lount, William Lyon Mackenzie, Louis Lafontaine and others. I have seen the play and have had some experience in one way and another in the theatre. I have seen many plays on Broadway not as good as this one written by Judge Eric Cross.

It has already been presented by Queen's University. It is being presented by the London Little Theatre next year, which is the largest little theatre in Canada. It was presented for five days this year by the Woodstock Little Theatre to capacity houses, and I understand that the province of Ontario is considering this play as possible reading for the Ontario schools.

It has been suggested that the play might very well be made into a movie by the national film board. I know there are many technical difficulties but I think the matter should be considered. It is a fine play from a theatrical and historical point of view. I know that Judge Cross spent many months in very careful research. Here we have a fine play, historically accurate, which would be of great educational benefit to the children in our schools. They could see our history in action, and I would strongly urge the minister to refer this matter to the national film board for consideration.

**Mr. Knight:** Mr. Chairman, among this storm of criticism I should like to inject a pleasanter note, if my hon. friends to my right will forgive me.

**Mr. Fulton:** You will spoil the whole atmosphere.

**Mr. Knight:** I do not think anyone can accuse me particularly of not performing my function of being a critic of the government at times and, indeed, of most of its work. However, I do want to say something which is a rather personal matter because it applies to the minister himself. I am not going to echo the words which would be spoken by the hon. member for Fort William if he were here because he would utter a sort of blanket benediction upon the cabinet minister as such. But I do want to pay him a tribute as a minister and as a man and to thank him personally for the courtesy, care and consideration which he has displayed with respect to any matter having to do with the admission of immigrants or other matters which I have had occasion to take up with him since he took over this portfolio. I do that without reservation but I do reserve of course my right to criticize when I feel it is justified. When I indicated to my hon. friend here that I was going to interject these remarks into this debate he said that probably the minister would consider that I had been softened up so far as criticism was concerned by the kindly acts. However, that was just in the spirit of fun. I simply want to reiterate what I had intended to say and what I did say when I rose from my seat.

*Supply—Citizenship and Immigration*

**Mr. White (Middlesex East):** I too want to say a few words on this question this afternoon. It has been many a day since I have listened to as many worth-while speeches and contributions as I have heard in the debate that has taken place today. I am not going to take very much time. In my opinion the hon. member for Kootenay West, the hon. member for Kamloops and the Leader of the Opposition presented the views of most Canadians today so far as immigration is concerned. I do want to say something about the question raised by the hon. member for Kootenay West with respect to the treatment that traitors to the cause of freedom have received and also the two cases that the Leader of the Opposition presented. They certainly seem to hurt. I do not think Canadians generally like that attitude and the way things were handled in these instances because on the other hand they see that it is very difficult for deserving people, sometimes relatives of people already in Canada, to get into this country because of one reason—I was going to say excuse—or another.

I know of one particular case. This man was turned down and there were questions asked and answers given. I made some inquiries in the country in which he lived. I had been led to believe by the immigration department that he was ill and not able to work. I found out that he was holding down two jobs in his own country, and when he finally arrived here he made a very good citizen. Maybe he was too good a worker and someone here was afraid that he was going to hold down two jobs. Maybe that is the reason someone did not want him.

I think it was the hon. member for Kootenay West who mentioned the matter of relatives of Canadians whether they be Chinese Canadians or others. It was pointed out that these people are prepared to provide for their relatives if illness should overtake them. I think we are sometimes a little bit sticky about that although I do know that if such people fall ill and have to be hospitalized at the expense of the state the department is criticized because they allowed these people to enter the country. Several members have mentioned the relatives of Chinese Canadians and I will not dwell on that. I think the minister has already made up his mind what he is going to do about that situation. I hope he will deal with it in a Christian, democratic and humane way. I know that he will.

Some mention has been made of the rosy pictures of life in Canada that is given to citizens of other countries. I have a case in hand right at the moment. This man was coming to this country and was desirous of purchasing a farm. A certain figure was named and he was told that if he had that much money he could establish himself quite easily on a farm in Canada. That amount might have been all right back in the thirties but it was only about one-third of what is needed today. Having come to this country, having severed all his connections in the old country, he now finds having bought a farm that he does not have money for seed, machinery or livestock and that he also has a good-sized mortgage. He is going to be an old man before he gets out of the hole he is now in. Probably that amount of money would have been sufficient in some hinterland location but not in the settled parts of Canada.

I know of a German citizen who was denied access to this country. He looked around in his own land for a position and he now is harbour master of one of the great harbours of Germany. Why should he have been turned down? It was not because of the screening that is done. I have never been able to find out the reason. He was well educated and a very able man. When he was a prisoner of war in this country the farm people he was with thought a great deal of him. After he had returned to Germany and got this job he sent money back to the family with whom he had worked and paid for their trip to Germany and back out of his own pocket. He thought so much of that farm family with whom he worked during the years he was a prisoner of war, he did that for them.

Injustices do seem to occur in the department of citizenship, but at the same time I suppose we in this country have to treat everyone alike. This couple wrote me a letter after becoming Canadian citizens. In writing the letter to me the lady said:

> At the age of 17 my husband joined the imperial army and fought in world war I, and then served 9 years in India. Then he came to Canada and years later, at the beginning of the war in 1939, he joined the Canadian army and served in the Canadian army until his discharge at the close of the war. It was not until he decided to visit some friends in the United States, he found out he was not a Canadian citizen.

It was at the last court held in London, Ontario, that he and his wife received their Canadian citizenship. It seems to me a peculiar thing that a man who served the cause in the two world wars would need to go through the process of getting Canadian citizenship.

I want to deal next with the Indian affairs branch. Indian affairs is one of those things for which I suppose there is

not always an answer. I just had the opportunity of talking with the new director and I am very pleased. I think he will do a good job in that department. I realize it is a difficult department, and what you do in one case perhaps does not satisfy in another. I am just going to mention one particular case.

Early in March of this year two brothers who had an interest in a piece of property wrote to the Indian agent indicating that when the estate was settled they would like to purchase the property. The Indian affairs branch did not advise them that it was not for sale, and later they found that the property had been leased to other than an Indian. When I made inquiry it was pointed out to me that the brothers had not indicated they wanted to lease it, but had wanted to buy it. I know very well that if the brothers had been told they could not buy the property but could lease it they would have been glad to lease it. In the meantime the damage had been done and the men are out of that property for another year. Now, these are good people. One of the men is a pattern and dye maker in the city of Detroit, holding down a good position. I do not wonder that they are a little bitter at the administration over the way things are handled.

Throughout my constituency there is a certain amount of uneasiness about the policy of the immigration department. I believe the minister knows that as well as, if not better than I do. It has probably been brought to his attention, and no doubt he will take steps to correct it. Some things have been said during the debate about the minister's department being held off until the last. Well, some department has to be last no matter what happens, and certainly I would not criticize the minister on that account.

I feel that these other matters I have brought to the attention of the minister will be taken care of by him. If he does not, then we will criticize him or his successor at the next session.

**Mr. Churchill:** My interest in immigration, Mr. Chairman, ranges over the whole field. There is one topic with which I want to deal today, and that is the long-term trend in so far as policy is concerned. In the past I have been very much interested in the policy of the department of immigration, and I am not sure we have yet a clear answer. I was looking at an article in the *Legionary* for January, 1953, written by a gentleman named E. H. Gurton called "The Truth about Immigration". In that article Mr. Gurton draws attention to the racial origin of the population of this country at the time of confederation, and the change that has taken place from that day to this. For example, in quoting from the census returns from 1901 to 1951, he shows that in 1901 the people of British origin in this country amounted to 57·03 per cent; French were 30·71 per cent; and others 12·26 per cent. Then, the writer follows it through decade after decade to 1951 where the percentages are as follows: British, 47·89; French, 30·83; others, 21·28, indicating a decline in the people of British origin in this country of approximately 10 per cent.

Then he goes on to attempt to forecast the racial basis of our population at the end of this century, and suggests that if the present immigration policy is continued, at the end of the century the people of British origin in the country will be 32 per cent; French, 30 per cent and others 38 per cent.

I am not going to deal further with that article on this occasion, Mr. Chairman, but I would draw attention to the annual report of the department for the year ended March 31, 1952. I have been looking at the table on page 28 and have made a calculation from it of those people who have come from overseas and I am excluding the section dealing with immigration from the United States of America. Those who have come from overseas who are of British stock, or as they are called here British nationals, are as follows: 1900 to 1909, approximately 60 per cent were of that stock; 1910 to 1919, 64 per cent; 1920 to 1929, 56 per cent; 1930 to 1939, 45 per cent; 1940 to 1949, 60 per cent. Over a period of 50 years, I believe the British nationals, as the report calls them, were more than 50 per cent of the total number of immigrants coming to this country from overseas.

I am not going to debate the question as to what type of people are most desirable in Canada. We are well aware of the great number of races that are represented in this country, and we are well aware of the great contribution members of those various races are making. I raise no objection whatsoever to any racial group within the country. I am simply drawing attention to the fact that there are certain marked differences within our country, and certain changes taking place. But, as I say, we fully understand that most of the rest of the world is represented in Canada at the present time. The table at pages 30 and 31 showing the racial origins of immigrants, and nationalities, for the fiscal year just ended, indicates that other than English, Irish, Scottish, Welsh and French, 39 races have been represented in the group of immigrants entering Canada.

However the question raised in my mind is this: What is the long-term policy with regard to immigration. Is there a long-term policy that bears any relationship to the question of racial origin? Or should a policy bear any relationship to the question of racial origin? Those are questions that puzzle me. I notice from the table from which I have just quoted that in this last year for which the department is reporting, the largest racial group entering this country was German, the second largest was Italian, the third largest was Dutch and the fourth largest was Polish.

**Mr. Harris:** I wonder if the hon. member would be completely fair and not class the English as a group, but rather class those from the British Isles as a group.

**Mr. Churchill:** Oh, I think the minister is becoming unduly disturbed. I am not attempting to be unfair at all.

**Mr. Harris:** The hon. member made that statement on a former occasion, and I believe I corrected him at that time. I pointed out that when he used the word "English" he was referring to English people, and not to Scottish, Welsh or Irish. Whereas, for our purposes we lump them together; and I think most people do that in Canada. The people of Canada think in terms of the British people, people from the British Isles. And I am sure if my hon. friend would use that classification he would not be indicating, as he is about to do now, that people of British origin are about fifth in order.

**Mr. Churchill:** No, by no means; I had no intention of saying that at all. These groups I am speaking of are exclusive of the ones I mentioned earlier. I am speaking of the 39 different groups, other than English, Irish, Scotch, Welsh and French, who have entered this country. And I was giving the four, in their order of importance. I was not attempting in any way to indicate that the people from the British Isles did not exceed any one of those groups.

**Mr. Harris:** I am sorry if I misunderstood my hon. friend.

**Mr. Churchill:** Perhaps the minister should attempt with me the same type of softening up process the hon. member for Saskatoon has reported. I have not had the pleasure of that treatment.

The conclusion I draw from my remarks so far is that there appears to be something in the nature of a policy—or is it just accidental? —whereby some groups appear here in larger numbers than do others. Is it important that we should give our attention to this particular question? I am not certain that the minister has gone into this problem and thought it out as to the various racial bases for these particular countries. But it may well be that we should give some consideration to it. If Mr. Gurton's forecast is accurate, showing that within another 50-year period people of British stock, who comprised 57 per cent in 1901, by the end of this century will comprise only 32 per cent, it is obvious that there will be a considerable change in the nature of our people.

Whether that change is desirable or not, I am not questioning at the moment. I do know from practical experience in life that the process of assimilating immigrants to the Canadian way of life is not the easiest thing in the world. I spent a sufficient number of years in the field of education to know the difficulties that confront the Canadian people in assimilating even the best of immigrants to the Canadian way of life. And as I have said on other occasions in the house, that needs to be taken into consideration when you are dealing with the question of immigration. Immigrants are brought in here and distributed across the country. The municipalities then must assume the burden of assimilating them to the Canadian way of life, and making them good Canadian citizens. And the greater part of that burden falls on the shoulders of those who are in the field of education. It also falls upon the shoulders of the taxpayers who support the school system.

I am not at all certain that the government in formulating its policy with regard to immigration, if it has one, has taken that into account. I think it is a vitally important matter. We are concerned not only with the numbers of people who enter this country, it is not a question of whether we will have 15 million or 30 million; rather we are concerned with the type of people who are here, and the type of citizens they may become.

Now, to complete my statistical survey. I gather from these figures in the departmental report that a major change in policy occurred in 1949. Up to that date the British nationals coming to this country numbered over 50 per cent of the total number of immigrants who came here annually. In 1949 the situation changed. Let me place on *Hansard* the figures as they appear in table No. 1 at page 28. People coming from the British Isles, including all those other areas in Great Britain I mentioned earlier, totalled 42,830 in 1949. Others, from overseas—not from the United States—totalled 75,467. Then, in 1950 there were 20,062 from the British Isles and 58,700 others. In 1951 the figure for the British Isles is 17,161 and for the others it is 60,187. In 1952 there were

39,261 from the British Isles and 164,189 others. A percentage basis for those four years indicates that approximately 25 per cent of the total number of immigrants from overseas were British nationals. I suggest this constitutes a major change in the immigration policy of this country.

Whether it has been a policy change or an accidental occurrence, I do not know. I put those facts and figures before the committee for the purpose of assisting in our investigation of the problem. But I think that if we continue conducting immigration into this country without an adequate policy in respect of racial origins that we expect to have in Canada in the future, we might be making a serious mistake.

At the same time I am not here to say that we should exclude one type or another of the races throughout the world. But it appears to me that perhaps by indirect means we are making it more advantageous or easier for some groups to come to this country than others.

The question arises: Why? Why should it be easier for certain people from Europe to come here under assisted passage schemes than it is for others? Is there a policy in this respect, or are we just drifting along? Do we want to see this country end up at the turn of the century, if Mr. Gurton's estimate is correct, with people of British stock numbering only 32 per cent. I do not know at the moment whether that would be desirable or not, but I pose the question for the benefit of the committee.

**Mr. Macdonnell:** It would require a man of sterner stuff than I am to make a speech at this time of the last day of the session. But I do want to make one or two comments. In the first place I want to underline what was said by the hon. member for Kamloops, that it is highly undesirable that this debate should have been left to the last day. I suppose one can argue very sincerely that probably at the present time the immigration department and the debate of its estimates are more important than any other debate we have had. What we are doing actually in the immigration department is to decide on what kind of people we are going to be, as the hon. member for Winnipeg South Centre said, or, to bring it closer home, we are deciding on the kind of people with whom our descendants are going to intermarry in the coming years.

I repeat, it is unfortunate in the highest degree that it is left like this. I suppose, however, it has sanction, or even sanctification in the eyes of the government because I understand that great parliamentary manager, the late prime minister, Mr. Mackenzie King, laid it down as a guiding rule that in the case of the controversial departments it was wise to leave them until the end, and then the heat would drive the opposition out and they would get away without much debate. I have no doubt that is a consideration. Perhaps it is a case of the evil that men do lives after them. I leave that to the judgment of the committee.

I would repeat that it is unfortunate that it is almost impossible to give this great problem the consideration which it should have at the moment. Of course the reason it is controversial is the fact of unemployment. We know that only three or four years ago the minister used to speak freely and very interestingly about immigration, but he has not had very much to say lately, and certainly he did not get very far in what he said this morning. I do want to raise this question because I believe it is pertinent. I hold in my hand a letter signed by a gentleman by the name of F. S. Walker. This letter appeared in the *Globe and Mail* on June 11, and reads in part as follows:

> I am a recent immigrant to Canada. Is it too much to ask Canadian immigration authorities not to send skilled men from the engineering trades to Canada until Canadian industry can absorb them? Skilled men arriving here at the present time are, like myself, unable to find employment, their skill being lost to England and not wanted in Canada.

There is more to the letter which I shall not read, but I shall read the editorial note at the bottom:

> National employment officials report that conditions in certain engineering lines are currently "a bit tight" but that they hope for improvement later this year.

I do hope the minister will let us know just what is the line taken by our officials in Europe. It will be very hard for them of course to come clean and to say that jobs are not easy to get in Canada at the moment, but I do hope that what this letter depicts is not what is commonly being done; in other words, that people are not being encouraged to give up skilled jobs in Europe and to come here.

I shall not detain the committee longer, Mr. Chairman. I wish to repeat, sometimes we in the opposition are told that however little influence we seem to have at the moment, our words are not always wasted, and that they may even be listened to and remembered on future occasions. I do hope that next year this important subject will not be left to the hot 26th of June when the serried ranks of the government are trying to drive us out.

Item agreed to.

Citizenship—
57. Citizenship registration branch, $221,654.

**Mr. Fulton:** I was under a misapprehension. I thought the minister had risen to reply.

**Mr. Harris:** I had.

**Mr. Fulton:** I did not intend to let this item go by without asking a few questions. I understood the minister wanted to make general observations in reply to comments on the first item.

**Mr. Harris:** Perhaps anything I might say now might help my hon. friends to pass the rest of the items with dispatch. I would like to have a few moments. I realize that one should not add to the burden of the committee on his own estimates. However, there have been a few things said that require explanation and perhaps defence.

Before I make these remarks may I thank hon. members for their kind references to myself and especially for those which are directed to the officials of the department. I quite realize—and I think every hon. member does—that the immigration branch, devoted as it is to a wholly personal problem, is bound to be the subject of anxiety, irritation and at time disagreements on decisions which have been made. Anybody listening to the debate today would fully appreciate the balance of opinion that there is in the house about immigration.

We have had I think only one speech that could be described as anti-immigration, and we have had one or two who professed to support immigration but who were dubious about its value at this particular moment, or at least dubious about some of the matters involved in it. I think I can safely say that all the rest of the remarks were directed to supporting the policy of immigration, though perhaps disagreeing with particular details which were properly mentioned. In these circumstances I would be the first to agree that hon. members could bring before the committee many more cases than they have mentioned in which it would seem that the decision might not meet the approval of the hon. member himself, and might be made differently under a different minister. That is fully appreciated.

I am grateful for references to those cases, and I shall look at them again, though in many instances I have already seen them myself. Before I mention in detail what has been said, I do want to suggest that the aspersions cast upon me about holding my estimates to the final day are wholly unfounded. This is only the second occasion on which it did occur. Far from not having a full debate on this subject at various times, we had quite a lengthy debate last session. At any rate we had such a debate as met the approval of hon. members opposite.



**Mr. Fulton:** One full day.

**Mr. Harris:** One full day plus an hour and a half on another day, but that full day was on April 24, and we did not rise until May 14.

**Mr. Fulton:** On that occasion we had only one item before us.

**Mr. Harris:** If my hon. friend wanted to debate longer than the seven or eight hours that he took I am sure that he could have done so.

**Mr. Fulton:** You did not call them again until the end of the session.

**Mr. Harris:** Then, sir, on June 28, 1951, we had two and a half hours, which seemed to be sufficient for hon. members, because we did not adjourn until two days later. However, this is only quibbling about detail. I am sure that if hon. members wished to debate this subject at greater length they would have done so.

May I make particular reference to many of the problems which have been raised, first by the hon. member for Kamloops and then the others. Each year we have a discussion about the Chinese, the negro and the East Indian cases which come before us, and each year we attempt to ascertain whether it would be desirable to extend the classes of those admissible in those groups. Each year we have cases brought to our attention which are borderline cases; but since I have been in charge of this department the numbers of Chinese citizens coming forward have steadily risen until the year before last they reached the figure of 2,300, I think, settling back to about 1,929 last year and at the moment they are running ahead of that again this year. There would, of course, be more if circumstances permitted them to come out of China, but for the information of hon. members may I say that it would appear that more of them are coming out of China now than were doing so a year ago.

I have not a brief to offer for the validity of the examination of these people by the X-ray method except to say that it has been in use for many years here, and it is not the only ground on which an applicant is refused entry. I have made that clear on other occasions on which I have spoken, and I have pointed out that if the X-ray is the only evidence we have that this person is not likely to be the person we are considering in the application the chances are that he would be admitted. As I believe hon. members know, we are using a variable rule of two years one way or another in the reading of that X-ray plate, and I am satisfied

that it is as reasonably accurate as any other method for the purpose we have in mind.

The Leader of the Opposition raised two cases and I propose to deal with them very briefly. The first case he mentioned happens to be before the courts and perhaps I ought to follow the course of wisdom which is traditional in this house and say very little more about it. I made that clear when I answered the question asked by the hon. member for Dufferin-Simcoe on that very subject some weeks ago. I told him the case was before the courts and I was not in a position to make any comment. I think perhaps I could follow that course again today, though it is regrettable that the Leader of the Opposition sought to interpret the case in a manner which, with all due respect to him, does not bear very much resemblance to the facts.

The other case he raised concerned Mr. Harold Banks, and may I say again that this is one of those instances in which the assumptions may turn out to be incorrect. We have had some discussion in the house about this particular case, and I remember about May 8 or 10 the hon. member for Hamilton West asked me whether a board of inquiry had been ordered on this case. My answer was, "No". Had that question been asked any time within the last three weeks my answer would have been, "Yes, I ordered a board of inquiry for the purpose of obtaining the record as it is and as I suppose it to be before the officers charged with the responsibility of considering the admission or right to settle in Canada of this particular person." That board will meet in Montreal. It so happens that I am the person to whom an appeal can be made and I feel I should not discuss this case today either. I could perhaps talk about the facts but I do not think it would be fair to indicate any opinion since the facts, when presented to me, should be viewed at that time in a manner as free from previous opinions as it is possible to be.

**Mrs. Fairclough:** Did I understand the minister to say whether a date had been set for the meeting of that board?

**Mr. Harris:** It has not been set and I have no particular control over that. We have regular boards of inquiry and they take their turn depending on how much they have to do.

The Leader of the Opposition made reference to an article in *Maclean's* magazine dealing with a so-called racket in Montreal in which persons were engaged in illegal practices with respect to the admission of immigrants. Once again, with great respect to the Leader of the Opposition in his absence, I might say he was not aware of the facts in this case. I made an answer to him over a year ago to the effect that prosecutions were being launched and I thought there was no particular reason for making reference to these prosecutions until further inquiry was made. There is nothing sinister about it. The racket was in existence and it was uncovered by the department itself with the result that up to the moment one of the gentlemen involved has been convicted and fined $100 and $250 and dismissed from the service; another one was fined $200; still another was fined $250 and given three months in which to raise the fine and in default to serve one month and two months to run consecutively; one other person is still before the courts, and still another has not been apprehended because he is in the United Kingdom and I understand he was able to avoid extradition on that account. That accounts for those who were involved in the proceedings.

The leader of the C.C.F. party referred me to a letter he received from a person abroad and I think I can deal very briefly with that. This was a news item carrying a report of a meeting addressed by one of our officers, Mr. Don Brown. Mr. Brown is one of our better officers in the United Kingdom and while I fully understand and share the view that we cannot permit an overoptimistic picture to be delineated I do not think any hon. member here, especially those who have been criticizing the government for not having encouraged enough immigration, would wish our officers abroad not to be reasonably optimistic about the future in Canada. How to balance that in an address is, of course, obvious. You must put in qualifications but you must also state the facts on which you base the desire of the Canadian government to have people in the audience come to Canada, and if in the course of reporting, these qualifications do not appear, or if in the normal method of reporting meetings the full story is not given I do not feel we should complain either to the press in the first instance or to our officer.

I just want to run through the complaints made because they are similar to many which have been made and have no more justification. For example, the officer began by saying, quite properly, that it usually took three to six months to obtain accommodation of a permanent nature. I am sure no one can complain of that. Then he said that the national average wage was about £20 a week. I have not looked up the statistics lately but the last ones I saw showed that the average wage in Canada

was around $56 and that is about £20 at the present depreciated value. He then said:

> The cost of living in Canada is less than it is here and the average man can save 12 per cent of his weekly wage and still have a car, and so on.

The last figures I saw in regard to national savings in Canada showed a fraction over 11 per cent. He then said that education was under the provinces and it was free up to university standards. I admit that in most of our high schools you have to pay for your books. He was then quoted this morning as saying:

> He can earn £17 a week without paying any tax at all. Income tax is about a third of what you would pay in England.

Obviously he was talking about income tax and I am sure any hon. member who wishes to do the mathematics involved would agree that a man can earn £17 in this country, if he is a married man, and not pay income tax. He then went on to say that there was no national health scheme but suggested there were many comparable services in the form of family allowances payable for each child including the first one. I think that is a purely factual statement of conditions in Canada and does not mislead anybody as to the facts here. However, I come back to my previous statement that I believe that these officers abroad, if they are to discharge the duties which most of us seem to favour, would want to leave with the people in the audience the impression that we want them to come here. When he went there to address them, he went there to encourage them to come to Canada but at the same time, he did not go there to misstate any pertinent facts or to misstate any facts at all.

The hon. member for Kootenay West spoke on behalf of himself and, I understand the hon. member for Winnipeg North in particular, with respect to alleged collaborators. I only want to add one comment to the consideration of this question. It is difficult to decide in post-war years the degree of responsibility for many things that are done. I have had that point brought to my attention forcibly since the hon. member for Winnipeg North mentioned this subject in the early winter. It must be remembered that these convictions, so-called, were all by methods they use in France for prosecuting people; there were convictions *in absentia*. They are interim judgments delivered in the absence of the person accused and are subject to review at the request of the person—

**Mr. Fulton:** Just like your immigration findings.

**Mr. Harris:** They are subject to review at the request of the person concerned when he learns about the conviction. One of these persons whose name was disclosed in the return made to the hon. member for Winnipeg North has since that return was made forwarded me a decision of a French court dissolving the conviction against him on the ground that there was no evidence and restoring to him whatever rights he had before the interim conviction. Therefore my hon. friend will not take it for granted that in all these cases the circumstances were as they might have appeared in the original transcript of the judgment. Following his practice, I will not mention the names of those concerned.

The leader of the C.C.F. party also spoke of the desire that we might use a certain organization abroad; that is, one particular labour organization. We do, of course, employ or use the services of the intergovernmental committee for European migration, as we call it, for the handling of refugees. We feel that we should not have too many of these organizations because there might be overlapping. Since there is one central organization to deal with all refugees, we have followed the practice of supporting that organization since the war. I think we ought to continue to do so. Nevertheless, the organization referred to by his correspondent, namely, the international free trade union group in Brussels, will be considered in order to see what they could add to our knowledge on the subject of immigration and the proceedings under it.

The hon. member for York South raised the question of trade unionism with regard to immigrants and I think I have disposed of that matter. He also spoke of the problem of those British subjects in the West Indies and of the answer we are going to make to the brief which was presented by the negro association of Toronto. I can only make this answer at the moment, Mr. Chairman. Upon receiving the brief we studied it. I examined the statistics with regard to these persons and I found that there has been a steady increase in the numbers of negroes from the West Indies being admitted to Canada. If we leave the present regulations as they are for the time being I think the numbers will probably increase in any event and that we shall have what I would consider to be a reasonably fair representation of these people in the flow of immigrants to Canada. I could place before the house the shifting changes in the numbers but I can assure hon. members that they are on the increase. In addition to the close relative groups who come in in almost every case I should not say as of right but nevertheless almost so, we have a special merit case and we have been using it with respect to these people.

I think the hon. member for Kootenay West also spoke of a particularly offensive person whom he met on the coast. I would not want to defend conduct such as he has described. I would only hope that this person who came from Germany would learn that however much he might like to ape the traditions of a regime that we hope has gone forever, those things are not wanted or desirable in Canada.

**Mr. Herridge:** That is what I hope.

**Mr. Harris:** I have always taken the view —and I think it has been true of most hon. members—that service in the German army by a German national should not be held against him. That is his duty in time of war.

**Mr. Fulton:** Does the minister apply that principle to the SS, the elite guard?

**Mr. Harris:** I shall come to that matter. I have taken the view that under those circumstances we may very well receive people who, with their military training and perhaps with a training of mind that we do not approve, might carry forward in peacetime certain undesirable characteristics; but that if the peacetime record of the person is good or, shall I say, not bad, the fact that he was in the German army should not be held against him.

The hon. member for Kamloops has asked me a direct question with respect to the SS troops. We have repeatedly had reports of former SS troopers being in Canada. Like some of these other stories that have been mentioned this afternoon, they crop up from time to time. There may be some people here who belonged to the SS. I do not know. We have never consciously admitted them. Yet I recognize the fact that you can deceive one of our immigration officers. You can deceive the screening group. You can deceive everybody and can get into Canada.

I want to make this one exception to what I have said. I think there is no reason why I should not make this clear. At one period in the war nationals of countries that were occupied by Germany were conscripted into the army and put into the SS divisions. I could give the reasons for that. It was that the German general staff did not want them in the German formations; at least that appears to have been the case. So when we obtain an application here from a close relative for the bringing forward of a relative who had served in these groups, we look at the record to find whether, in fact, he may have been a Roumanian or a Pole or from some of these other occupied countries, whether he was a volunteer or a conscript, the circumstances of his service and his whole personal record. But those cases are quite few in number. The general practice is that anybody who has served in the SS troops is not welcome to this country.

I think the hon. member for St. Paul's made one general reference to some of our difficulties. I appreciated the friendly manner in which he acknowledged there were certain difficulties. I do not think the department overlooks the humanitarian aspect at all, but we are bound to refuse even close relative requests under the circumstances I have just mentioned. We do refuse such requests. It would therefore be easy to point to cases where very close relatives could not understand why they could not bring forward the one that they wanted to bring forward. At the same time we find it impossible to grant their requests.

The hon. member for Oxford referred to an incident in western Ontario last fall. He need not be surprised that I am aware of it. I read the newspapers just as he does and, I say with great respect, perhaps go a little further and have the department investigate the circumstances. I do not mean to cast any reflection on my hon. friend by what I have just said. It did happen that at one period there were a number of German and other farm workers who left their employment. This took place over a short time. The number was not large; I do not think it exceeded twenty. Coincidentally the story about the black car arose. I apologize for saying that there was no black car. What I meant was there was no black car of this nature.

One of these men was upset by his relatives who had happened to settle in Quebec and the following day he left. The impression got about that in the motorcar was a person who was going about soliciting people to leave their employment. We followed up the story and found in almost every case that those who had left were working, some in the brickyard at Cooksville and others in the city of Toronto. There was no recruiting for industries in the province of Quebec that we could find.

I only mention that to suggest that we do try to follow up these things in every way we can in order that these persons shall carry out the obligations they have undertaken. I think I have covered all the particular cases that have been raised.

The hon. member for Rosetown-Biggar asked me to table a return showing Indian children attending non-Indian schools, and I should like to have permission to do that.

**The Chairman:** Has the minister leave?

**Some hon. Members:** Agreed.

**Mr. Harris:** The table is as follows:

INDIAN CHILDREN ATTENDING

GRADES

| — | I | II | III | IV | V | VI | VII | VIII | IX | X | XI |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Prince Edward Island | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 2 | 2 | ..... |
| Nova Scotia | 13 | 10 | 4 | 2 | 5 | 5 | 7 | 5 | 7 | 8 | 9 |
| New Brunswick | 12 | 2 | 3 | 4 | 1 | 4 | 2 | 9 | 23 | 10 | 9 |
| Quebec | 33 | 31 | 17 | 17 | 21 | 16 | 18 | 21 | 30 | 9 | 12 |
| Ontario | 63 | 38 | 33 | 40 | 39 | 34 | 31 | 27 | 146 | 72 | 49 |
| Manitoba | 69 | 36 | 42 | 26 | 11 | 10 | 5 | ..... | 1 | 1 | 3 |
| Saskatchewan | 59 | 23 | 29 | 20 | 16 | 6 | 4 | 3 | 13 | 9 | 7 |
| Alberta | 26 | 14 | 19 | 24 | 14 | 14 | 14 | 13 | 22 | 23 | 10 |
| British Columbia | 208 | 167 | 179 | 177 | 136 | 132 | 135 | 96 | 141 | 61 | 39 |
| Northwest Territories | 13 | 1 | 6 | 3 | ..... | 1 | ..... | ..... | ..... | ..... | ..... |
| Yukon | 8 | 7 | 9 | 3 | 5 | 5 | 1 | ..... | 1 | 3 | ..... |
| Outside Canada | 2 | 3 | 3 | 4 | 3 | 2 | 4 | 4 | 3 | 3 | ..... |
| TOTALS | 506 | 332 | 344 | 320 | 251 | 229 | 221 | 178 | 389 | 201 | 138 |
| Indian Schools | 8,443 | 4,542 | 4,021 | 3,336 | 2,711 | 2,122 | 1,447 | 908 | 371 | 151 | 82 |
| GRAND TOTALS | 8,949 | 4,874 | 4,365 | 3,656 | 2,962 | 2,351 | 1,668 | 1,086 | 760 | 352 | 220 |

Item agreed to.

**The Chairman:** I understand that items 56 and 57 are carried but that the hon. member for Kamloops wanted to ask a question on item 57.

**Mr. Fulton:** No, item 58.

*58.* Citizenship branch, $697,031.

**Mr. Fulton:** There is one thing here which disturbs me a little. It has to do with the total amount asked for. If the minister will look at the details on page 130 he will understand the nature of my question. The details show that in the last fiscal year there was asked for in the estimates an amount of $615,464. A little further down the details show that the total actually spent in that fiscal year was $505,464, or exactly $110,000 less than was estimated. Yet this year the department is asking for $697,031, or $82,000 more than was estimated last year and $192,000 more than was spent last year. I am puzzled and concerned to know the reason why, although they spent last year less than they asked for, they are asking this year for more than they asked for last year, and $192,000 more than they actually spent.

**Mr. Harris:** The figure my hon. friend uses is an estimated figure which is made up in November before these estimates are submitted to treasury board, and that is why we feel that a certain margin is required here. It is one of those estimates that does vary a bit and I think he will find, if I may say so, that the Department of Citizenship and Immigration keeps its estimates down pretty close and has the reputation of being one of the three or four departments that have reduced their estimates on occasions.

[The Chairman.]

**Mr. Fulton:** I think I must give the minister credit for that. I believe there are two or three items here where less is being asked for than was sought last year, but this seems to me to be a particularly outstanding case where your estimate was $110,000 more than you spent last year and yet you are asking for $82,000 more than you estimated last year. If the minister could tell us what was actually spent last year and that the estimate of expenditures given in the details was considerably less than was actually spent then I could understand that the estimate might be larger this year. But I emphasize again that on the basis of what was actually spent up to December 31, plus what you estimated you would spend for the balance of the fiscal year, it is indicated that you would spend $505,000 during the year which is $110,000 less than you originally submitted in your estimates. Yet you are asking for $190,000 more than that.

**Mr. Harris:** My hon. friend must remember that in the estimates for this fiscal year we are obliged to raise the pay of every one represented in the details because of the general increase last fall. In addition we have the normal increases in salaries because of the seniority attained.

PROVINCIAL AND PRIVATE SCHOOLS

| | | UNIVERSITY | | | | Law | Medical | Normal school | Nurse training | Nurse aide | Commercial | Trades | Blind, Deaf, Dumb rehabilitation auxiliary | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| XII | XIII | 1st yr. | 2nd yr. | 3rd yr. | 4th yr. | | | | | | | | | |
| ..... | ..... | 1 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 1 | ..... | ..... | 6 |
| ..... | ..... | ..... | 2 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 3 | ..... | 2 | 82 |
| 4 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 4 | ..... | 1 | 1 | ..... | 89 |
| 2 | ..... | ..... | 4 | ..... | 1 | ..... | ..... | 1 | 3 | ..... | 15 | 19 | 15 | 285 |
| 21 | 6 | 1 | 1 | ..... | ..... | ..... | ..... | 2 | 12 | 1 | 9 | 5 | 37 | 667 |
| ..... | ..... | 1 | ..... | ..... | ..... | ..... | ..... | 3 | 5 | ..... | 2 | 3 | ..... | 218 |
| ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 1 | 2 | ..... | 2 | ..... | 2 | 196 |
| 3 | ..... | ..... | 1 | ..... | ..... | ..... | ..... | ..... | ..... | 3 | 3 | 5 | 3 | 211 |
| 15 | 2 | ..... | ..... | 1 | ..... | ..... | ..... | 2 | 2 | 2 | 11 | 5 | 15 | 1,526 |
| ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 24 |
| ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 1 | 43 |
| 3 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 34 |
| 48 | 8 | 3 | 8 | 1 | 1 | ..... | ..... | 9 | 28 | 6 | 47 | 38 | 75 | 3,381 |
| 40 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 28,174 |
| 88 | 8 | 3 | 8 | 1 | 1 | ..... | ..... | 9 | 28 | 6 | 47 | 38 | 75 | 31,555 |

**Mr. Macdonnell:** There is one item I should like to raise in that connection. I notice that you are up $50,000 on language texts for citizenship classes.

**Mr. Harris:** Has my hon. friend any objection to that or is he helping me out?

**Mr. Macdonnell:** I am not quite sure. I just want to know more about it. It seems a rather steep rise. Are there so many more classes requiring language texts that it is 50 per cent greater?

**Mr. Harris:** I could give a list of the books that are being published this year under this particular item. There are 16 of them, and they total $140,430. If my hon. friend wants to have them put on the record, I will do so.

**The Chairman:** Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Harris:** The list is as follows:

Language texts for citizenship classes to be printed for 1954-55

| | | |
|---|---|---|
| 1. Learning the English Language Book I | 30,000 | $10,800 |
| 2. Learning the English Language Book II | 30,000 | 10,800 |
| 3. Learning the English Language Book III | 30,000 | 10,800 |
| 4. Learning the English Language Book IV | 30,000 | 10,800 |
| 5. Workbook I for LEL | 30,000 | 13,500 |
| 6. Workbook II for LEL | 30,000 | 13,500 |
| 7. Workbook III for LEL | 30,000 | 13,500 |
| 8. Workbook IV for LEL | 30,000 | 13,500 |
| 9. English Through Pictures | 20,000 | 5,400 |
| 10. Workbook I ETP | 20,000 | 7,500 |
| 11. Workbook II ETP | 20,000 | 7,500 |
| 12. Teacher's Guides | 3,000 | 2,250 |
| 13. Je Parle Francais Book I | 10,000 | 7,500 |
| 14. Je Parle Francais Book II | 9,000 | 6,750 |
| 15. Je Parle Francais Book III | 7,500 | 5,625 |
| 16. Workbooks for French Self-Taught | 1,500 | 705 |
| Total | | $140,430 |

**Mr. MacLean:** There have been a great many interesting speeches today on the very important topics of citizenship and immigration, but I have got the impression that the accent was on the immigration side of things. I think that the question of citizenship is extremely important too. It is not my intention to take up much time of the committee, but I should like to express certain opinions and make a suggestion to the minister.

It seems to me that if one looks back over the history of civilizations which existed before our own one finds that time proved that they did not have the permanency that their citizens imagined that they had. It is also the fact that most of these civilizations collapsed and were overrun, not because they were destroyed by conquest from without but simply because they rotted from within. These civilizations were developed by very energetic people who had a strong sense of purpose, who put up with hardships and who knew what they stood for, but after a few generations of soft living and a faltering of the ideals of their ancestors the then citizens shirked their responsibilities as far as their way of life was concerned, and it was only a matter of time until they were overrun.

I feel there is a danger of that happening to us. I have been shocked, particularly since entering public life, by the abysmal ignorance of large groups of Canadian citizens with regard to our system of civilization and government and their responsibilities in connection therewith. You will find this ignorance not only among the illiterate but among people who look upon themselves as being well educated and people who have quite a bit of formal education, high school graduates and even university graduates.

**Mr. Pickersgill:** The hon. member should come to Newfoundland. We have a higher level there.

**Mr. MacLean:** I hope you are right. I am glad to hear the Secretary of State say that, and I hope that is not due to the fact that Newfoundland has only lately come into confederation.

**Mr. Fulton:** The Secretary of State has only recently gone down to Newfoundland.

**Mr. MacLean:** I find, for instance, that many people who consider themselves fairly well educated have no knowledge as to the various fields of federal, provincial and municipal governments. For instance, they have no knowledge with respect to such a simple question as to what government is responsible for the upkeep of roads or other public works.



It is rather disheartening to realize the little value the average citizen places on his right to exercise his franchise. There are thousands of people in Canada who do not ever bother to vote, and in some cases the ones who do feel that they are doing someone a favour by casting their ballot; that it is something they must be coaxed into or pushed into or even bribed into doing. There are people who believe that the vote is a marketable asset which they try to sell to the highest bidder, if there are any around. I feel that is an unfortunate situation. If our system is to survive, I believe as much as possible should be done to educate, not only the new immigrants coming into the country but our own citizens whose people have been here for generations as to their responsibility. These people should be given an elementary knowledge of our system of government and the importance of the things for which it stands.

Only the other day most of the members of this committee had an opportunity of hearing General Gruenther speak. He said at that time that one of the greatest dangers to our western civilization was the fact that we seem in danger of losing the ideological war. Our western civilization does not seem to know for what it stands. He went on to say that it is not enough to be against communism, we must be for democracy. I agree with that 100 per cent.

I have been pleased to see some excellent booklets which the department put out a year or two ago in this regard. The series covers our land, our history, our government and so forth. I believe they are very good, although I think the particular title for "our government" would be more apt if it were "our system of government".

**Mr. Harris:** I assure the committee that was unconscious, and it will not be done again.

**Mr. MacLean:** I must say that these booklets are very good but they do not go far enough. I should like to make a suggestion to the minister. It would be money well spent if he were to sponsor a film or a series of films on these topics.

**Mr. Pickersgill:** Does the hon. member for Kamloops agree?

**Mr. MacLean:** I believe he would, because if films are used for the right purpose it is money well spent. However, you can squander money in that way. There would not be perhaps any objection to a well made film or series of films on our system of government. There could be one on municipal government, provincial government and

federal government, and one on our system of justice. I feel that is another thing upon which many of our citizens are rather vague.

I have said that I do not want to take up too much time of the committee, but I would be pleased if the minister would give consideration to something along that line.

**Mr. Michener:** Early in the session we amended the act and eliminated the first declaration of intention to become a citizen. Can the minister say whether that will result in some monetary saving in administration? If so, what will be that saving?

**Mr. Harris:** The forms which would be used for the current period had already been purchased but we will not be spending money for this purpose in the future. I do not believe there will be much of a saving on this particular item until the next fiscal year.

**Mr. Montgomery:** I should like to ask the minister, in connection with item 58, about the language texts for citizenship classes, $140,000. Can the minister give me some information as to how that money was spent?

**Mr. Harris:** I just finished answering that question for the hon. member for Greenwood. I said I would put it on the record. May I at this moment say to the hon. member for Queens that since the 1949-50 fiscal year we have spent $62,360 on film strips, chiefly to be used in citizenship classes.

Since this reminds me of something the Leader of the Opposition said, I want to say something about the ethnic press. I am quite conscious of the support that was quite evident here today for the ethnic press who are doing their best to keep the newly arrived immigrants from embracing any doctrine that would be disadvantageous to Canada. As I have said on many occasions, we make it clear to these people when they come that the test that will be applied later on to their citizenship is their conduct in the meantime and their beliefs. Something over two years ago I met the ethnic press, and I believe the committee will realize one has to be careful in these matters, but we did set aside a sum of money for use in advertising through that press. We are continuing it this year, and will continue because the editors and publishers of those newspapers and periodicals deserve our support in refuting the false arguments that one could so easily fall into believing if he were not guided correctly.

I should like to table copies of a report, in English and in French, of the first national seminar on citizenship. I may say copies will be distributed.

Item agreed to.

Immigration branch—

59. Administration of the Immigration Act, $968,610.

**Mr. Fulton** I am not going to seek to revive the discussion we have already had, Mr. Chairman, but I could not let the matter stand without pointing out that, probably because of the pressure of time, of which the minister is now a victim as well as ourselves, the minister did not deal with the fundamental policy matters concerning immigration which were raised in the course of this discussion. The minister did not deal with the matter of the country of origin or the matter of the changing composition of present groups making up the total immigration, nor with the question of enlarging our effort in connection with immigration generally. I can only assume that is due to one of two things. Either the government has no policy in this regard or has not considered the matter in all its implications or else, as I have said is equally probably, the minister finds himself a victim of the shortage of time that is allotted for the discussion of these estimates. I believe it is regrettable that this department should be disposed of this year without any reply from the minister on these important points.

There are some questions I want to ask the minister on this item which provides for the administration to the Immigration Act. I come back to what was referred to in the course of general discussion, and that is the adminstrative practices in dealing with these immigration applications. If what I have to say appears critical I want to make it clear my criticism is not directed against the immigration officials in their capacity of administering this act. My criticism, although it may appear to be directed towards them, is based on the fact that there appears to be no directive or if there is any directive it is designed to direct them to deal with the matter along certain lines and to give certain answers or provide certain information which is, in my view, desirable to be provided. I do not regard that as an irresponsibility of the officials concerned; that seems to me to be a matter of policy which must, of course, come from the top. So what I am concerned with is the policy with respect to the administration of immigration.

I am aware that there are many complaints about which I alleged in a general way this morning, that when an application is rejected, it is most difficult, if not impossible, for the applicant himself or his representative—if he is represented by counsel—to obtain a clear-cut and concise statement of the reasons why the application was rejected.

There are several aspects of the matter I would like to ask about. The minister will recall an announcement in the house in 1951 with respect to the children of Chinese-Canadian citizens in which it was indicated that the provisions would be relaxed whereby in the case of those over 21 and up to 25, where there was hardship or merit, there would be provision made for their entry. I wonder therefore if the minister could define that type of hardship, or the grounds of merit, relied upon to produce in certain cases permits for entry. We would like to know the lines of policy which are being followed. So far as I am concerned it would appear that one case is dealt with favourably and that another of a similar nature is refused.

As I say, the lack of reasons given for refusal makes it almost impossible to know whether to appeal or how to conduct the appeal. Would the minister say a word or two in describing the type of case where hardship or merit would apply, and give examples where these have been relied upon as justifiable admissions.

**Mr. Harris:** Mr. Chairman, it must be obvious to the committee that as soon as I made the announcement almost every Chinese citizen in Canada who had a son in China over the age of 21 and under 25 made application for his admission to Canada. And, of course, that is an exaggerated statement because they are still coming in. Nevertheless we were faced with all the applications which could be sent in as a result of that. We had some question in our minds as to what precisely we could do by way of definition. And we finally left the definition just precisely as I indicated, that each case would have to be dealt with on its merits, realizing of course that the decisions might not be correct in some cases but that on the average they would be acceptable.

Perhaps the committee would be interested to know the number who have come in under this grouping. There have been 23 of the age of 21; 19 aged 22; 7 aged 23; 6 aged 24 and 10 aged 25 in the month of May of this year only. That is a representative month. The total is 65 in this group.

Now, if it happened that a son was well established in China, so far as we could decide, and if the father here had other children either to look after his business or to look after him in his old age, that would be the type of case that would not meet the definition of hardship. If on the other hand the father happened to be the sole proprietor of a business, if he was getting on in years and had a son abroad of that age who could come forward and assist him, that could be a case where hardship would intervene. We would consider it a case of hardship and grant the request.

**Mr. Fulton:** I should like to ask a question with respect to all cases of this kind, and immigration applications generally. Can the minister give an assurance that it will be laid down as a matter of policy that in these cases, except where it is a matter of security or political loyalty, a duly appointed representative of the applicant will be allowed to have access to the files and documents on which such refusal is based so that he will be able to prepare a case on appeal either to the minister or to an immigration appeal board, if one were set up or, if necessary, to a court? There has been occasion for a ruling of this kind. Many times counsel have had great difficulty in obtaining information upon which to base applications; and the same applies to members of parliament.

**Mr. Harris:** Is my hon. friend referring to Chinese cases, or is he making a general reference?

**Mr. Fulton:** I am referring particularly to the Chinese; but I would refer to it generally, because I think it covers a general situation.

**Mr. Harris:** I do not think I can agree to the suggestion made by the hon. member. We have been through all this before. I know the representations which have been made to him presumably by the same persons who have seen me.

**Mr. Fulton:** Various people have been making these representations.

**Mr. Harris:** I agree; but I was thinking of particular groups.

**Mr. Fulton:** The Chinese benevolent society and others.

**Mr. Harris:** Yes. As the hon. member knows, we discussed this at some length—perhaps not this particular detail, but the over-all theory of immigration—when we were revising the Immigration Act two years ago. And all but one member in that committee—and I think this was endorsed by the house—held the view that immigration could not possibly become a matter of law, and we did not want to get into the system which obtains in some other countries whereby we would try to define in a law those persons who could be admitted to Canada, so that one could approach the courts in this country and have a judge decide in an action at law whether an applicant came within the terms of the law.

We went into that matter at some length, and indeed the minister brought it to the attention of the committee, pointing out that the discretion vested in the minister was so extensive that, as the Leader of the Opposition said today, the power was so great that "even the minister might not wish to exercise it."

Nevertheless the committee did decide that the theory of immigration in Canada must be that the minister would be responsible to parliament to explain the policy in detail, and his administration of it; and if the administration of the act and of the policy did not meet with the approval of hon. members, then the minister would be subjected to such criticism as members felt they should make. It was felt that we could not have these things going through our courts with decisions being made on the law.

Starting from that, it seems to me it would not be possible, nor would it be desirable for that matter, to disclose to the applicants information which is on the file in this department, and which would lead the minister and those under him to come to a conclusion in a particular case. I did not understand my hon. friend's concluding words, when he said that hon. members do not have access to these documents. I have never hesitated to offer a file to any member who asked for it, always knowing that, under his responsibility as a member of parliament, such member would consider it confidential. Yet at the same time I know the hon. member has in mind cases where, to the applicants, it would seem that if they knew the problem in the mind of the official they could meet such specialized objection by producing new evidence. I shall not attempt to make a joke of a serious matter, but I could say that we have people who come to our office and say, "I am so and so; what do I have to tell you in order to get into Canada?"

That is something we do not want to encourage. So that I think we ought to leave it the way it is. I grant you that quite probably members of parliament in particular should be given all the information available to enable them to criticize a minister of the government. But I do not think that we can have an applicant going outside the department and suing in the courts in an attempt to prove his right to enter Canada. As I say, the committee decided that should not be done.

**Mr. Fulton:** The minister realizes of course that both the Supreme Court of Canada and the courts of British Columbia have lately laid it down that applicants for admission to Canada do have certain legal rights.

**Mr. Harris:** No, they did not.

**Mr. Fulton:** Yes, they did. And it was on the basis of Chinese who alleged that under the law they were Canadian citizens. They were applying for admission to Canada, and their admission had been refused by the departmental officials. The courts said that there is a legal right, and that this right is conferred upon them under Canadian legislation as it exists today. The departmental officials were ordered to review the decision that they had made, as a matter of law.

One of the cases involved the question of whether an adoption in China was legal, and whether our courts should recognize it and, if so, whether the immigration branch should recognize it and give effect to it on this application for admission to Canada. Therefore it is not correct to say, whatever may have been the intention when the committee had the Immigration Act before it, that there are no legal rights involved here.

Then, further, this applies, as I pointed out, not only to applications from these Chinese but it applies particularly where a deportation arises. I referred the committee this monring to the case where a judge of the Ontario supreme court felt it was inconsistent with standards of Canadian justice that the reasons for the deportation order should not be communicated to the person concerned so that her counsel could meet the case in court. I think, particularly in the case of deportation—

**Mr. Harris:** Would my hon. friend permit me?

**Mr. Fulton:** —there must be the fullest disclosure.

**Mr. Harris:** I am not familiar with the case the hon. member referred to first about the adopted child. I must say that my former remarks would be subject to that. But referring to the other case the Supreme Court of Canada did not say anything about legal rights whatever except that the department should process the case. The difficulty there was that the application was sent in. The officer concerned wrote a letter saying that because of certain circumstances we cannot proceed with the application you filed. The supreme court said that is not so; you must proceed with it. They made no decision whatever on the merits of the case, recognizing I think that they did not have the authority to do so.

With respect to the case in Toronto, my hon. friend is taking advantage of me just as his leader did, because it is before the courts in Toronto. I can show him that file,

and I am satisfied, even though he is making the speech, that he himself would do as I did and order the deportation of that person.

**Mr. Fulton:** That may be so. Mr. Chairman, but my point is this. I am not discussing the case or the merits of the case, I am discussing what was said by the judge *obiter dictum*. He could see no reason why the reasons for the deportation should not be communicated.

**Mr. Harris:** If my hon. friend comes and looks at the file—

**Mr. Fulton:** Good heavens, that indicates to me something which I find quite unacceptable, that the judges of our courts cannot be told the reasons for these things. The minister says he has adequate reasons, but that to me is perfectly unacceptable. Personally, the minister would have to do a great deal more arguing to satisfy me it was an acceptable proposition. I have a specific question to put before the committee with respect to the implications in these cases where the applicant urges Canadian citizenship. I have discussed this matter generally with the Chinese benevolent association, and it is my understanding that they are not really satisfied with the investigation that is made in Hong Kong. I do not want to be unfair to the officials there. They probably work under pressure and under difficult circumstances, but where these people claim and say that they can provide prima facie proof that they are in fact Canadian citizens by birth and have been back to China, then they should have the right to come here.

I understand they would not object to posting a bond or purchasing a return ticket. They should have the right to come here if their application is rejected and prove their case to the minister before a Canadian court. The minister, at least by inference, suggested that where there was a matter of law involved it might be regarded as a case not to be entirely at his discretion. There is a question of law involved as to whether this person is or is not a Canadian citizen. If they cannot prove that in court in Hong Kong, if they cannot assert their claim there, then I suggest it would be fair, and I think it would relieve the pressure on the department and might cut out a lot of correspondence, to have them come over here and submit their case to Canadian courts. Until they get the permission from the department they cannot make arrangements with the transportation company to bring them.

[Mr. Harris.]

**Mr. Harris:** I have just one word on that. We are in a rather awkward position on these cases. There are not very many of them. I know of only three or four at the moment. These are people who approach our officers in Hong Kong and say: "We are Canadian citizens." It happens that the immigration department has nothing to do about Canadian citizens. They have a right to enter Canada by law. We cannot bar them and do not. It is the responsibility of the Department of External Affairs to deal with Canadian citizens abroad who wish to come to Canada. Nevertheless, it happens, as a matter of convenience, that our senior officer in Hong Kong functions in this particular case for the Department of External Affairs. I recognize the difficulty that confronts a person who says: "I am a Canadian citizen" to prove it, and of the officer abroad who has the responsibility of making a decision. Representations have been made about this matter, and I have been considering it to see if I can find a way by which no Canadian citizen would be barred from re-entering Canada because of the lack of information which there may be at the port where he is, if there is such information available in Canada.

**Mr. Dinsdale:** I was glad to hear the minister say that the case of the children of Canadian citizens over 21 years of age—the father living alone in this country—would be given special consideration. That is the situation in many of these cases because of the fact that the families have been separated for years. I want to press the inquiry a little further, because I was of the understanding that the emphasis was just the other way; that if there were any members of the family remaining on the mainland, regardless of the situation of the father in Canada, that case would not be considered.

**Mr. Harris:** Will my hon. friend let me have the case he has in mind?

**Mr. Dinsdale:** Yes.

**Mr. Macdonnell:** One question arises from the letter I read. What instructions are given to our representatives in Europe at the moment? When they are giving a picture of the situation do they take into consideration the fact that employment is not as good as it was a year ago? Are there instructions to try to give the clearest picture they can of the actual problem?

**Mr. Harris:** Yes. We try to keep abreast of conditions here and give our instructions to our officers abroad on a timely basis, and not too far behind conditions. If I remember correctly, I do not think there is any real

difficulty of an engineer getting employment in Canada. I would be surprised if that particular trade was one about which we had sent special instructions abroad. It may happen that this particular person has had the misfortune of not getting employment. I am sure our settlement officers will work overtime to get him another place as soon as possible.

**Mr. Hamilton:** In answering questions of the hon. member for Kamloops regarding the inaccessibility of certain information on which decisions are based, the minister left one point which at least to my satisfaction was not answered. I would like it explained just a little bit. I am speaking of a person seeking entry into Canada who is refused permission to come in as an immigrant without having the grounds on which that refusal is based given to him. Because of the condition of records in Europe and in other parts of the world, particularly in Europe, and with all of the uncertainties that occur in an investigation such as that, it is quite conceivable that the information procured by the department may be wrong. I am not speaking of a particular case. I know of many where it could be argued, but I would rather speak in general terms. It is conceivable that the information procured by the department may be wrong, may be completely erroneous.

As I see it at the present time this almost star chamber attitude on this particular aspect of the problem means that a person has no opportunity whatsoever to go to the minister and his department and give them information in order to pursue the matter further and perhaps correct any errors which may have crept into the information they have. Can the minister explain how that happens?

**Mr. Harris:** I am sure my hon. friend knows that we consider many cases six, seven and even eight times, and that the situation is not as simple as he makes it out to be. Indeed, far from there being a star chamber court of any kind, our officers abroad are there for the purpose of getting immigrants and not for preventing them coming to Canada, unless the circumstances are such that the people concerned are barred under the regulations. When we tell people they cannot come in there are not very many who get in touch with me and ask why. I seldom have appeals of this nature and I do not very often get letters except from members of parliament, and quite properly they write me and ask for an explanation. But I think in most cases the reason is usually fairly obvious and probably known to the disappointed applicant. Nevertheless, I assure the hon. member that if a person has a good case and he is persistent about it we recognize that the information we have might be added to and other interpretations placed upon it so that the person who is rejected might very well convince us that he should be admitted.

**Mr. Noseworthy:** Can the minister answer my question regarding the operations of the Welch company in Canada?

**Mr. Harris:** I forgot about that, Mr. Chairman. The Welch company is an independent contractor which builds railway projects and as such it is independent of the railways. My hon. friend this afternoon made some reference to the relationship between persons going from the Canadian National Railways to the Welch company. As I indicated about something else, this is news to me. The Welch company is one of the few companies that accept contracts for the building of railways in remote areas and they are constantly asking us to provide immigrants because after checking with the national employment service they are unable to obtain labourers to go into these remote areas to work, and they contact the immigration office which supplies these people with immigrant workers. They pay wages which occasionally come under criticism in the press, but the wages are always within the standards set in each of the provinces in which this work is carried out and, in fact, in some cases I think they are fairly generous. We have had two or three complaints, one from Manitoba and one from British Columbia. We investigated both of them and we found that the conditions were not as outlined in the newspaper reports but were due to some exaggerated statements made by a discharged employee.

As far as I am concerned our relationship with the Welch company is a good one and we provide them with workers they could not otherwise obtain in order to carry out the work which I think helps the people of Canada generally.

**Mr. Noseworthy:** The minister says they bring in workers for railway projects because workers cannot be found in Canada. But just a couple of days ago I received a protest from the trades and labour council of Fort William protesting against the fact that the Welch company had brought in a number of immigrants from Portugal while the people of Fort William, who were looking for the jobs these immigrants from Portugal were given, could not obtain work.

**Mr. Harris:** I would point out, Mr. Chairman, that these are not maintenance workers on the railway. They are labourers carrying stones and other things about. They are not

permanent railway workers but common day labourers and in every case before we bring these people in we check with the national employment service to find out if they can fulfil the requirements.

**Mr. Dinsdale:** I am encouraged by the minister's expansive mood to ask one further question on the point raised by the hon. member for Notre Dame de Grace. I have been interested in cases in which the grounds given for exclusion were marked confidential. Earlier in the discussion today the minister said that the circumstances of war are not weighted so heavily in considering applications for immigration, and by private inquiry I discovered that the grounds for exclusion are related to what was regarded as subversive activity during the war. May I take the liberty of placing this case before the minister?

**Mr. Harris:** By all means.

Item agreed to.

62. To provide, subject to the approval of treasury board, for trans-oceanic and inland transportation assistance for immigrants, including care en route and while awaiting employment, $500,000.

**Mr. Bell:** I would like to ask the minister what obligations are placed upon an immigrant coming out under the assisted loan passage scheme to remain in his intended occupation.

**Mr. Harris:** We have had discussions every session on this matter on the estimates and my hon. friend could profitably read the past discussions. But briefly, if we loan him the money to come here he is obliged to remain in employment which we stipulated up to a period of 24 months depending on the time set for the repayment of the loan.

**Mr. Bell:** I just want to make one comment in connection with that. I had a question on the order paper earlier this session asking about the plan, how much had been given out, and how much had been collected, and according to the answer I was pleased to note that something like 79 per cent had been collected. But I asked just how many remained at their stipulated jobs for the period intended and I received the answer that no statistics are maintained. I feel they could easily be gathered because in collecting the loan that has been made there must be some record kept as to where the cheques come from and I offer this as a suggestion. With the present criticism that seems to exist on some aspects of immigration generally I think we should definitely have a record available as to how many come out under the assisted plan and whether they stay at their intended occupation for the stipulated periods. For all we know it may be just a blind or a ruse to bring out a certain group and they may leave after three or four months, even though the loan is paid back in 80 per cent of the cases.

**Mr. Harris:** My hon. friend should not suggest that this government does anything for any motive other than that which it announces. The assisted passage loan scheme was announced by me some three years ago for a specific purpose and it received the endorsation of the house. In fact, I was congratulated for introducing it, and the only criticism there has been with respect to it is the question my hon. friend raises, namely, that the persons who come do not live up to their obligations. But no one in this house has yet suggested that we abandon a policy of that kind. Indeed I think they would prefer that this service be continued and that we continue our efforts to assist people in this way.

**Mr. Bell:** I would like to make it clear that I was not criticizing the plan. I simply asked that figures be made available as to the number of those who remained in their intended occupations.

**Mr. Harris:** Until my hon. friend asked the question no one else did, and we have been trying to study the matter to see if we can get an answer.

Item agreed to.

Welfare of Indians—

69. Construction or acquisition of buildings, works, land and new equipment, $962,524.

**Mr. Michener:** Has any figure been worked out on the total public expenditure per capita? There is a very substantial expenditure here of $18 million. In the Department of National Health and Welfare there is another $15 million for health services with respect to Indians and Eskimos. It would be interesting to have it if there is such a figure at hand. It would be interesting to know what it is per capita for the population.

**Mr. Harris:** I have not that figure, but I will get it for my hon. friend.

Item agreed to.

Education—

73. Construction or acquisition of buildings, works, land and new equipment, $3,824,200.

**Mr. Fulton:** This morning the minister gave us a brief survey of the educational work being done in the department. He referred to arrangements with one of the municipalities for education of the Indian children in their schools. I should like to

ask him now with respect to the provision that is being made for education by way of building Indian schools. It is a large item and I want to put my question in such a form that it will not take much time to answer it. Is it possible to give us a brief outline, of not more than a couple of minutes' duration, of the schools which are being built and the increased student capacity which is being provided under the vote we are now discussing?

**Mr. Harris:** I could give the breakdown by provinces of the item under consideration. If the committee would give me permission to do so, I would put it on *Hansard*. It is as follows:

INDIAN EDUCATION—ORDINARY EXPENDITURE

(includes Operation and Maintenance and New Construction)

1953-54

| Province | Day schools | Residential schools | General | Total |
|---|---|---|---|---|
| | $ cts. | $ cts. | $ cts. | $ cts. |
| Nova Scotia | 74,242 51 | 60,090 73 | ..... | 134,333 24 |
| Prince Edward Island | 12,837 06 | ..... | ..... | 12,837 06 |
| New Brunswick | 58,568 35 | ..... | ..... | 58,568 35 |
| Quebec | 434,153 23 | 279,790 10 | ..... | 713,943 33 |
| Ontario | 588,509 54 | 785,959 25 | ..... | 1,374,468 79 |
| Manitoba | 459,922 22 | 806,072 95 | ..... | 1,265,995 17 |
| Saskatchewan | 363,449 89 | 669,292 58 | ..... | 1,032,742 47 |
| Alberta | 279,837 37 | 898,711 35 | ..... | 1,178,548 72 |
| British Columbia | 587,457 88 | 1,671,942 16 | ..... | 2,259,400 04 |
| British Columbia—Technical education | ..... | ..... | 9,906 65 | 9,906 65 |
| Northwest Territories | 115,588 65 | 109,056 15 | ..... | 224,644 80 |
| Yukon | 30,703 46 | 731,698 57 | ..... | 762,402 03 |
| Education of Indian children in non-Indian and joint schools | ..... | ..... | 468,960 13 | 468,960 13 |
| Salaries and travel | ..... | ..... | 97,866 08 | 97,866 08 |
| School books and stationery | 204,878 69 | 67,552 52 | ..... | 272,431 21 |
| Miscellaneous | 10,375 02 | 192 71 | 10,145 06 | 20,712 79 |
| Grand Total | 3,220,523 87 | 6,080,359 07 | 586,877 92 | 9,887,760 86 |

**Mr. Fulton:** I am more particularly interested in the actual number of students accommodated than I am in the number of dollars being spent on schools.

**Mr. Harris:** This is based on the present day. Enrolment increased by 3,200 last year. We are almost keeping pace now. The backlog of, I think it was, 8,000 Indian children without school accommodation four years ago is now down to about 2,500.

**Mr. Fulton:** How many do you expect to accommodate this year with this item? If the minister cannot give me that information now, perhaps he could send it to me later.

**Mr. Harris:** This year we hope to construct 69 classrooms.

**Mr. Barnett:** I should like to ask the minister whether the breakdown, which he has indicated he is tabling, indicates the items of the various expenditures within the provinces?

**Mr. Harris:** No; it does not. However, I could give that information to my hon. friend. What he wants is with respect to British Columbia, I suppose.

**Mr. Barnett:** The minister is putting that information on the record?

**Mr. Harris:** No. I will write to my hon. friend.

Item agreed to.

National Gallery of Canada—

75. Administration, operation and maintenance, including industrial design division, $252,185.

**Mr. Hamilton:** Has the minister any reason to believe that any of the paintings purchased by the national gallery have subsequently been found to be other than as originally represented or, in other words, to be forgeries in any way?

**Mr. Harris:** No.

**Mr. Nesbitt:** I have one brief question, this being the last item. Has the minister considered the possibility of extending the service in the department of immigration? I know that the people here are very busy. There must be a great many requests from people trying to get information as to people who came to Canada some years ago, with reference to getting old age pension. It has been my experience—and I think it has been

that of most hon. members—that it takes a great deal of time to get this information. I was wondering whether there was some possibility of increasing the staff in that department.

**Mr. Harris:** I realize that our staff is sometimes shorthanded, but our records are improving daily. I do not think that now there is much in the way of delay with respect to landing records and similar information with respect to elderly people. At any rate, if there is, we shall be glad to hurry the matter along as quickly as we can.

**Mr. Hamilton:** When I asked the question before the minister shook his head, I know. I just wanted to put that on the record so that we would have it definitely indicated that there was an answer to the question.

**An hon. Member:** Which way did he shake it, up or down?

**Mr. Hamilton:** He shook his head in a negative manner. There was a reason for asking the question.

**Mr. Knight:** I should like to ask to what extent it is the policy of the national gallery to send collections of works of art to various parts of the country so that those people who, through various circumstances, are unable to come here, may have an opportunity to see some of these works in the original as well as in the reproduction?

**Mr. Harris:** There are two functions to the national gallery. The first is to maintain a gallery here. The second is to aid the provincial galleries by sending exhibitions to them as requested and as within the competence of the gallery here. As my hon. friend knows, the board of trustees are representative of all sections of the country. They are most anxious that exhibitions tour the country so that local galleries can show some of the paintings we have, if that is what my hon. friend had in mind. I assure him that the extension service is one of the most important parts of the gallery's work.

**Mr. Knight:** I should just like to say that I would agree with the minister's last remark in particular. I think that the extension services are perhaps even more vitally important than are the services provided here in Ottawa. While I risk this comment being out of order at this late date, I would say that the matter of a national library, to my way of thinking, should perform the same function. If we are going to promote national interest and cultural interest in this country, I think we should be building up extension services rather than building up some super de luxe library and national gallery at the capital. After all the main function of a public library is service to the public. I should simply like to express myself as being in favour of the extension of both services of that type.

**Mr. Michener:** As a last question, I should like to ask the minister how he manages to know so much about his department, to lead the house and to answer as well the 16 or 17 letters that he probably receives from every member during the course of the session?

**The Chairman:** Shall the item carry?

**Mr. Knight:** I should like to ask one other brief question of the minister who has, shall I say, the ultimate responsibility. After all, I suppose the ultimate responsibility for any department devolves upon the minister. But, with respect to item 76—

**The Chairman:** Order. Is item 75 carried?

**Some hon. Members:** Carried.

Item agreed to.

76. Payment to the national gallery purchase account for the purpose of acquiring works of art in conformity with section 8 of the National Gallery Act, $130,000.

**Mr. Knight:** I am really helping things along here. Who has the responsibility for the choice of these various works of art? I need not tell the minister that of late there has been some criticism with regard to certain works of art that were purchased. There was some question as to whether they were value for the money expended. Is there a board or is the matter left to the officials of the national gallery or the head of the national gallery himself, or who does that sort of thing?

**Mr. Harris:** I know there has been criticism but I did not know there had been any criticism directed at the national gallery with respect to the works of art. One of my hon. friend's compatriots objected to the expenditure purely on the ground of economy. I do not think he objected to it on the ground of artistic value.

**Mr. Knight:** What does the minister mean by one of my compatriots?

**Mr. Harris:** To be exact, I meant the hon. member for Moose Jaw-Lake Centre.

**Mr. Knight:** He is not a compatriot of mine.

**An hon. Member:** Of the same party.

**Mr. Knight:** Let us call him a colleague or something like that, but not a "compatriot".

**Mr. Harris:** I did not intend to use the wrong word, Mr. Chairman. The purchase of works of art is undertaken for the gallery by the director himself together with his advisers, narrowing the field down and submitting alternatives to the board of trustees for the ultimate choice. It happens that the board of trustees in most cases are persons who are not only well informed on art matters generally but particularly well informed by in many cases having studied the collection concerned. It is true that the director consults the minister before he consults the board in the sense that he wishes to have my agreement with his plans, but I do not try to exercise any taste in the matter. I leave that to the board of trustees, and I am sure they are very competent to carry out the purchases.

**Mr. Knight:** I would point out that this is a very narrow and specialized field and these works of art involve so much money that the purpose of my question was to be sure that the people involved were competent in this field not only on a narrow provincial or even national basis. Most of us are not competent to judge whether a picture is worth $100,000 or $300,000, and while I want to get the best works of art obtainable I am anxious to see that we do not have to pay huge sums on the supposition that these things are something particular when perhaps there might be more care exercised in such purchases.

**Mr. Fulton:** I do not think it would be proper to let this item carry—

**Mr. Abbott:** Who is going to have the last question?

**Mr. Macdonnell:** I am trying to.

**Mr. Fulton:** In view of the attitude of the Minister of Finance and certain others over things which have been said before with respect to the time allowed for the discussion of this department, I want to make certain it will not be misunderstood or stated in future years that the house must have been satisfied with the time allowed because it carried all the items in this department before six o'clock. We are not satisfied with the time which has been available for the discussion of this department and I say, with all friendliness to the minister, that were it not for the fact that His Excellency is on the way to close the session we would be carrying on and would carry on for some considerable time, probably for another day, the discussion of the affairs of this department before it would have been adequately dealt with. I want it clearly on the record that we are terminating this discussion now because of arrangements which have been made for the closing of the session and only for that reason.

Item agreed to.

Resolutions reported, read the second time and concurred in.

## WAYS AND MEANS

**Hon. Douglas Abbott (Minister of Finance)** moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

**Mr. Abbott** moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1955, the sums of $2,360,432,364.67 and $42,314,732, respectively, be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in.

**Mr. Abbott** thereupon moved for leave to introduce Bill No. 479, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1955.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

## THE ROYAL ASSENT

**Mr. Speaker:** I have the honour to inform the house that I have received the following communication:

Ottawa, June 26, 1954

Sir:

I have the honour to inform you that the Honourable Mr. Justice Kerwin, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber at six o'clock p.m. on the 26th June, 1954, for the purpose of proroguing the first session of the twenty-second parliament.

I have the honour to be,

sir,

Your obedient servant,

J. F. Delaute,

Secretary to the Governor General
(Administrative)

## BUSINESS OF THE HOUSE

SITTING SUSPENDED

**Right Hon. L. S. St. Laurent (Prime Minister):** Mr. Speaker, perhaps it would be convenient to suspend this sitting until such time as we are informed that the other house has passed upon this bill which has now been adopted. It might be understood that when

the bell rings we will come back to our places here to receive the messenger from the other place.

**Mr. Green:** It will only be a few minutes.

**Mr. St. Laurent:** I imagine it will take quite a few minutes for the other place to give consideration to this bill. I know my experience has been that there are always some remarks made about the fact that they are required to consider a matter of such importance in a very short time. Therefore I would imagine that it would certainly not be possible for this house to resume its sitting before six o'clock.

**Mr. Speaker:** The sitting is suspended.

At 5.40 p.m. the sitting was suspended.

SITTING RESUMED

The sitting resumed at 6.15 p.m.

**Mr. Speaker:** Perhaps I might take the few minutes at our disposal to inform hon. members that because of the fact that the members of our staff have been working strenuously, especially in the last month, we have decided to give the usual three days bonus to our sessional employees.

We have also considered the week end which follows Confederation day. Hon. members will have noticed that July 1 falls on a Thursday and our permanent employees would have had to come back to work on Friday, July 2, and would be off on July 3 and 4. We have, therefore, decided to give them the long week end from July 1 until Monday, July 5. I am sure all hon. members will approve.

**Hon. W. E. Harris (Minister of Citizenship and Immigration):** On behalf of all members, Mr. Speaker, I think I should say what has been said many times during the session, that we appreciate the courtesy and care with which you attend to your duties, and the needs particularly of those who become embroiled in arguments on procedure. I am sure that the house has approved of your dignified, careful and efficient discharge of the duties of the office you hold.

May I also thank my hon. friends opposite for being so kind on many occasions in assisting me in arranging the business of the house. I wish to say that I agree with everything that has been said to the effect that the working of the house can be assisted materially by arrangements that are reached and which, in most cases, can be carried out with a certain amount of patience and diligence.

[Mr. St. Laurent.]

**Mr. Macdonnell:** I should like to express thanks to the house leader for the great deal of trouble he has taken in trying to make the passing of the estimates as convenient as possible to those of us on this side.

As for you, Mr. Speaker, I think that I particularly should express this because you really have been very kind to me. We on this side do feel, with the greatest sincerity, that you have always tried to maintain the highest traditions of this house, including the tradition of strict impartiality.

**Mr. Herridge:** I wish to agree with all that has been said by the previous speakers, and to extend our appreciation for the courtesy extended by the leader of the house on many occasions, and our sincere affection for you, Mr. Speaker.

**Mr. Hansell:** I am about, Mr. Speaker, to give the shortest speech in history. We concur.

**Mr. Speaker:** May I be permitted to say that these short speeches are sometimes very effective and very pleasant. I want to thank hon. members for their words of appreciation. I know that they are directed not only to myself but also to my deputy and the deputy chairman of committees—

**Some hon. Members:** Hear, hear.

**Mr. Speaker:** —as well as the Clerk of the House, the deputy clerk and the officials working under them, who have shown loyalty at all times and have given effective service to all hon. members. I thank all hon. members for their co-operation.

## THE ROYAL ASSENT

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

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

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

In the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act for the relief of Francis Walsh.

An act for the relief of Hilda Anne Darke Marshall.

An act for the relief of Claude Raphael Sacchitelle.

An act for the relief of Isabel Mary Peebles Brown Macartney-Filgate.

An act for the relief of Wilfrid Lavoie.

An act for the relief of Joseph Edgar Emilien Landry.

An act for the relief of Joseph Victor Gerard Fontaine.

An act for the relief of Jeanne Robert Hotte.

An act for the relief of Heneault Champagne.

An act for the relief of Leopold Ruel.

An act to provide diplomatic and consular immunities for commonwealth representatives in Canada.

An act respecting the construction of lines of railway by Canadian National Railway Company from St. Felicien to Chibougamau and from Chibougamau to Beattyville, all in the province of Quebec, and from Hillsport on the main line of the Canadian National Railways to Manitouwadge lake, both in the province of Ontario.

An act respecting criminal law.

An act to amend the Customs Tariff.

An act to amend the National Harbours Board Act.

An act to amend the Criminal Code (race meetings).

An act respecting banks and banking.

An act to amend the Income Tax Act.

An act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system during the calendar year 1954, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

An act to incorporate Canadian Slovak League.

An act to provide for allowances for disabled persons.

An act to amend the Pipe Lines Act.

An act to repeal the National Physical Fitness Act.

An act to amend the Judges Act.

An act respecting benefits for members of the Canadan forces.

An act to amend the Excise Tax Act.

An act respecting extra-provincial motor vehicle transport.

An act to amend the Pension Act.

An act to amend the Atomic Energy Control Act.

An act to amend the Veterans' Land Act.

An act to amend the Public Service Superannuation Act.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In Her Majesty's name, the Honourable the Deputy Governor General doth assent to these bills.

Then the Speaker of the House of Commons addressed the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1955.

To which bill I humbly request Your Honour's assent.

To this bill the Clerk of the Senate, by command of the Deputy Governor General, did thereupon say:

In Her Majesty's name, the Honourable the Deputy Governor General thanks her loyal subjects, accepts their benevolence, and assents to this bill.

## PROROGATION OF PARLIAMENT

After which the Deputy Governor General was pleased to close the first session of the twenty-second parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

As I bring the present session to a close, the political tension throughout the world is a grim reminder that the first concern of the government must be the maintenance of the necessary strength to deter aggression while we continue to strive for the establishment of peace in the world.

Our country is meeting every commitment we have made for our national defence and for international projects for relief, rehabilitation, technical assistance and the economic advancement of other peoples materially less fortunate than our own.

Our external trade continues at a high level. Although there is still in western Canada a huge volume of wheat resulting from three successive record crops, our grain exports continue to exceed the ten year average.

You have approved a trade agreement with Japan designed to assist in developing our growing trade with that country. Trade agreements have also been concluded, for the first time, with Spain and Portugal which, with improved arrangements with Italy and Brazil, should assist us in the recovery of historic markets in those countries.

In recognition of the growing importance of our northern territories, you enacted legislation establishing the Department of Northern Affairs and National Resources.

We all rejoiced at the recent decision of the Supreme Court of the United States which removed the last serious legal obstacle to the development of the St. Lawrence project and which now clears the way for actual construction of both the navigation facilities and the power installations.

The Pipe Lines Act was amended to give jurisdiction to the board of transport commissioners over all companies authorized to construct or operate interprovincial or international oil or gas pipe lines and most of the difficulties in the way of the building of a pipe line to transport natural gas from Alberta to Ontario and Quebec have been overcome.

You enacted a measure to authorize the Canadian National Railway Company to extend its lines in northern Quebec and northern Ontario.

The National Housing Act was revised and provision made to increase and broaden the supply of mortgage money so that more people with moderate incomes would be able to find facilities to assist them in building their own homes.

As required by law you made the decennial revision of the Bank Act at the present session and extended the charters of the eleven chartered banks for a period of ten years. Among the amendments made were those which permit a bank to make loans on the security of insured mortgages and to make small loans on the security of household goods and chattels. The Quebec Savings Banks Act and the Bank of Canada Act were also revised.

In further recognition of the services of Canada's veterans of two world wars and of Korea you have made amendments to the War Service Grants Act; the Veterans Land Act; and the Children of War Dead (Education Assistance) Act; the Veterans Benefit Act; and the Pension Act.

You enacted a measure to provide for a federal contribution to the payment in co-operation with the provincial governments of pensions to disabled persons in need over the age of eighteen years. This legislation is a further instalment in the long-range social security program of the government.

During this session you completed the revision of the Criminal Code.

To meet the situation created by the decision of the courts that extra-provincial highway transport was under the jurisdiction of this parliament, you enacted a measure to provide for the regulation in agreement with the provincial authorities of interprovincial and international highway transport by provincial agencies established to regulate highway transport within the several provinces.

Other measures which you enacted included: the Ontario-Manitoba Boundary Act 1953; the United Kingdom Financial Agreement Act 1953; an act respecting the national battlefields at Quebec; the Northwest Atlantic Fisheries Convention Act; the Export and Import Permits Act; Fire Losses Replacement Account Act; the Canadian Forces Act 1954; an act respecting inventions by public servants; and an act to provide diplomatic and consular immunities for commonwealth representatives in Canada.

Amendments have been made to the Animal Contagious Diseases Act; the Explosives Act; the Telegraphs Act; the National Parks Act; the Customs Act; the acts respecting the Northwest Territories; the Senate and House of Commons Act; the Salaries Act; the Members of Parliament Retiring Allowances Act; the Patent Act; the Post Office Act; the Export Credits Insurance Act; the Emergency Gold Mining Assistance Act; the Department of Transport Act; the Radio Act; the Public Service Superannuation Act; the Judges Act; the Royal Canadian Mounted Police Act; the Navigable Waters Protection Act; the Canadian Citizenship Act; the Vocational Training Co-ordination Act; the Research Council Act; the National Harbours Board Act; the Opium and Narcotic Drug Act; the Atomic Energy Control Act; the Excise Tax Act; the Excise Act; the act respecting the superannuation of government employees transferred to crown corporations; the Income Tax Act; and the Customs Tariff.

Members of the House of Commons:

I thank you for the provision which you have made for all essential services for the current fiscal year.

Honourable Members of the Senate:
Members of the House of Commons:

In relieving you from attendance upon your parliamentary duties I pray that Divine Providence may guide and bless you.

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This concluded the first session of the twenty-second parliament.

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

A—Department—

56. Departmental administration, $340,230.

Citizenship—

57. Citizenship registration branch, $221,654.

58. Citizenship branch, $697,031.

Immigration branch—

59. Administration of the Immigration Act, $968,610.

60. Field and inspectional service, Canada, including $10,000 for grants to immigrant welfare organizations, $5,691,266.

61. Field and inspectional service, abroad, $1,835,259.

62. To provide, subject to the approval of treasury board, for trans-oceanic and inland transportation assistance for immigrants, including care en route and while awaiting employment, $500,000.

Indian affairs branch—

63. Administration, $427,964.

Indian agencies—

64. Operation and maintenance, $2,239,261.

65. Construction or acquisition of buildings, works, land and new equipment, $647,309.

Reserves and trusts—

66. Operation and maintenance, $228,050.

67. Acquisition of land, $10,000.

Welfare of Indians—

68. Operation and maintenance, $1,936,950.

69. Construction or acquisition of buildings, works, land and new equipment, $962,524.

70. Grants to agricultural exhibitions and Indian fairs, $7,350.

71. Fur conservation, $318,030.

Education—

72. Administration, operation and maintenance, $7,401,323.

73. Construction or acquisition of buildings, works, land and new equipment, $3,824,200.

74. Grant to provide additional services to Indians of British Columbia, $100,000.

B—National gallery of Canada—

75. Administration, operation and maintenance, including industrial design division, $252,185.

76. Payment to the national gallery purchase account for the purpose of acquiring works of art in conformity with section 8 of the National Gallery Act, $130,000.

National film board—

245. Administration, production and distribution of films and other visual materials, $3,211,060.

246. Construction or acquisition of equipment, $220,223.

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END OF SESSION